LEGISLATIVE HISTORY
Public Law 91-418
H. R. 16968

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INDEX AND SUMMARY OF H.R. 16968

Apr. 3, 1969	Sen. McGee introduced and discussed S. 1772 which was referred to Senate Post Office and Civil Service Committee. Print of bill as introduced and remarks of author.
Apr. 14, 1970	Rep. Daniels of N. J. and others introduced H.R. 16968 which was referred to House Post Office and Civil Service Committee. Print of bill as introduced.
May 7, 1970	House committee voted to report H.R. 16968.
May 13, 1970	House committee reported H.R. 16968 without amendment. H. Rept. 91-1084. Print of bill and report.
June 11, 1970	Rules Committee granted a rule for the consideration of H.R. 16968.
	Senate committee voted to report S. 1772.
July 9, 1970	House passed H.R. 16968 without amendment.
July 10, 1970	H.R. 16968 was referred to Senate Post Office and Civil Service Committee. Print of bill as referred.
Aug. 27, 1970	Senate committee reported S. 1772 with amendments. S. Rept. 91-1151. Print of bill and report.
Sept. 1, 1970	Senate passed S. 1772, then vacated action and passed H.R. 16968, which action was nullified by a sustained motion to reconsider the vote by which H.R. 16968 was passed and instruction of Secy. of Senate to request its return from the House.
Sept. 9, 1970	House agreed to return H.R. 16968 to the Senate.
Sept. 10, 1970	House agreed to Senate amendments with an amendment.
Sept. 14, 1970	Senate concurred in House amendment.
Sept. 25, 1970	Approved: Public Law 91-418

91st CONGRESS
1st SESSION

S. 1772

IN THE SENATE OF THE UNITED STATES

APRIL 3, 1969

Mr. MCGEE (for himself and Mr. BURDICK) introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

A BILL

To provide that the Federal Government shall pay one-half of the cost of health insurance for Federal employees and annuitants.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8906(a) of title 5, United States Code, is amended to read as follows:

"(a) The Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted on the first day of the first pay period of each fiscal year to an amount equal to one-half of the cost of the least expensive higher level of benefits plan authorized under section 8903 (1) or (2) of this title."

SEC. 2. This Act shall take effect on the first day of the first pay period beginning on or after July 1, 1969.

91ST CONGRESS
1ST SESSION

S. 1772

A BILL

To provide that the Federal Government shall pay one-half of the cost of health insurance for Federal employees and annuitants.

By Mr. McGEE and Mr. BURDICK

APRIL 3, 1969
Read twice and referred to the Committee on Post Office and Civil Service

What has been the experience of Federal agencies now authorized to pay these expenses?

Federal agencies are authorized to pay preemployment interview expenses when considering candidates for employment to positions excepted from the competitive civil service. The Comptroller General has ruled that in filling excepted positions, where the responsibility for determining the qualifications of applicants is vested in the agencies, the payment by them of any necessary expenses incident to the determination is proper if funds otherwise are available therefor.

Reports from the principal excepted agencies authorized paid preemployment travel show that this right has been used carefully and conservatively. No complaints of abuse have been made to the General Accounting Office.

Tennessee Valley Authority—All positions in TVA are in the excepted service. TVA policy is that payment for interview expenses may be authorized when deemed by the division incurring the expense to be necessary in the conduct of official business. Experience of TVA has disclosed no applicant abuse of the authorization to pay such expenses. In FY 1967, TVA hired 175 employees in shortage categories and authorized preemployment travel for 68 applicants.

Atomic Energy Commission—All positions in AEC are in the excepted service. AEC reports that the authority to pay these expenses has been used sparingly, but its use has been found necessary in the current competitive market for "quality" candidates. Invitational travel is not considered an additional cost. In most instances, in lieu thereof, AEC would have to send a representative to interview the candidate to accomplish an adequate evaluation of his qualifications. The cost then would include not only travel expenses for AEC's representative, but also his salary.

In FY 1967 AEC hired 277 shortage category employees and authorized preemployment interview expenses for 85 applicants.

AEC is not aware of any abuse on the part of candidates, such as travel for their own pleasure or convenience. Candidates who have accepted invitational travel for interview have usually accepted offers of employment.

Veterans Administration—Physicians, Dentists, and nurses in the Department of Medicine and Surgery are in the excepted service.

VA uses its authority infrequently but regards it as an important recruiting factor in the cases where it is needed. In FY 1967, VA only used its authority to pay expenses for 46 applicants but it hired 5,195 employees in shortage categories.

How would the proposed legislation be administered?

Regulations governing travel under the proposed legislation would be prescribed by the Director, Bureau of the Budget, who now has the responsibility for prescribing other travel regulations.

The Civil Service Commission already determines those positions which fall into the category of "manpower shortages" for purposes of payment of travel and transportation expenses of new employees to first post of duty (Public Law 86–587). This responsibility is not treated lightly. There is a detailed procedure followed in making these determinations and the same procedure would be followed in authorizing payment of preemployment travel expenses.

Under this procedure agencies have to furnish to the Civil Service Commission *in advance* a statement showing the extent of the shortage by position and location. The agency justification must include such information as:

The total number of incumbents in the agency in the area in question;

The number of existing and anticipated vacancies in the next 12 months;

The length of time active but unsuccessful recruiting has been conducted;

The declinations because of lack of payment of travel and transportation funds;

A statement on the extent and nature of recruiting efforts and the results obtained from the use of paid and free advertising, contacts with schools, contacts with the local State Employment Service, etc.;

The extent to which it has been necessary to recruit outside of the area in which the vacancy exists;

Information on internal efforts to relieve the shortage such as job engineering and upgrading the skills of people already employed;

The general quality of recruits obtained and the prospects for obtaining better ones if travel costs are paid.

In evaluating agency requests the Commission independently examines existing registers to see how many qualified people are actually available, and how well qualified they are. As circumstances require, other pertinent sources of information are checked such as the U.S. Employment Service and the latest literature on the subject.

Funds to pay travel costs authorized by the draft bill would be secured by individual agencies through their appropriation requests to the Congress. Necessity for justifying funds to be used for this purpose and the generally limited amounts of agency travel funds in relation to travel needs will assure that individual agencies administer these provisions in the best interests of the agency and the Federal Service. The requirement that applicants must first be found qualified by a civil service examining office is added assurance that these interviews would come at a point just short of actual employment in the competitive service.

Students often express an interest in the Federal service some months before they are scheduled to complete their education. The proposed legislation has been drafted so as not to preclude from coverage this very important group of applicants who are considered "tentatively qualified." This means they have taken and passed any required test and have been rated qualified by an examining office. To be fully qualified they only need to finish the last few weeks of their education and receive their degree.

These applicants, still in school, but about to begin their working careers, comprise one of the Government's most important recruitment sources for engineer and scientific positions. Because of the intense competition with industry recruiters for this particular group of applicants, it is essential that Federal agencies be able to extend preemployment interview invitations to the students some weeks, or months, before graduation.

What will be the cost?

The estimated 6,250 payments to prospective employees would come out of agency travel appropriations and amount to about $970,000 per year. The actual amount, however, would be controlled by the Congress through its acceptance of agency requests for trravel appropriations. Present estimates are based on the current list of "manpower shortage" occupations and agency estimates of cost and probably use of authority to pay preemployment interview expenses. These estimates do not take into account certain significant savings that can be expected, as for example:

Decreases in travel expenses of agency administrative officials who would no longer find it necessary to go to the applicant to conduct essential interviews.

Decreases in travel expenses and loss of working time of key scientists who would not be taken from their regular duties to travel about the country conducting interviews.

Decreases in turnover (especially at isolated locations) because applicants will have a clearer view of actual living and working conditions and can better decide whether or not they wish to accept the job offered.

Greater benefits from the funds already spent on recruiting because many applicants, who now go through the initial interview stage but drop out when they find no opportunity to visit the work site at Government expense, will go on to probable employment.

The present experience of the excepted agencies, TVA, AEC, and VA show their expenses to be under our estimate of about $155 per trip. The average cost reported for each preemployment interview traveler was for AEC $117.87, for TVA $67.81, and for VA $133.13. Therefore we feel our estimate is a generous one.

It is expected that costs would be absorbed in the regular travel budgets of the agencies concerned, and that no special appropriation would be needed.

The agency's ability to reimburse an applicant for his interview expenses might well tip the scale in favor of his accepting a "manpower shortage" category position. In this event, the money would be well spent.

S. 1771—INTRODUCTION OF A BILL TO PROVIDE CERTAIN BENEFITS TO EMPLOYEES IN THE POSTAL FIELD SERVICE

Mr. McGEE. Mr. President, I introduce, for appropriate reference, a bill to amend title 39 of the United States Code to provide that the provisions of law which permit a "saved pay rate" for certain employees who have been reduced in grade through no fault of their own shall not be limited to just 2 years in the case of postal employees in the railway postal service whose jobs were abolished because of the discontinuance of railway postal service.

The proposed legislation is vitally important to former railway postal clerks whose pay rates were preserved for 2 years, but who now face a serious reduction in pay because the benefits of the law do not extend past 2 years. My bill, which received the very firm support of the Postmaster General in 1967, would waive the 2-year provision in this specific case.

The committee will schedule early action on this legislation.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1771) to provide benefits for employees in the postal field service who are required in the interest of the Government to transfer to new duty stations, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

S. 1772—INTRODUCTION OF BILL TO PROVIDE THAT THE FEDERAL GOVERNMENT SHALL PAY ONE-HALF OF THE COST OF HEALTH INSURANCE FOR FEDERAL EMPLOYEES AND ANNUITANTS

Mr. McGEE. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Employees Health Benefits Act to provide that hereafter the Government shall pay one-half of the cost of the high option health insurance plan carried by Federal employees. It is my hope that the Committee on

Post Office and Civil Service can schedule hearings in the very near future to consider this legislation.

The Federal Employees Health Benefits Act was a landmark piece of legislation when it was enacted in 1959. It provided the basic framework for a hospital and medical insurance protection program applicable to virtually all Federal employees without regard to their economic status and without a requirement that they pass a physical examination. In my opinion, it is one of the most successful and certainly one of the best administered programs in the Federal Government today. It is a monumental achievement for the distinguished members of our Senate Post Office and Civil Service Committee who devised the program. Olin Johnston, who guided it through the committee and the Senate; Bill Langer, who made sure that the benefits provided would care for serious and lengthy illnesses; Dick Neuberger, FRANK CARLSON, Mike Monroney, and RALPH YARBOROUGH, all of whom played a key part in its development.

One of the considerations in mind at the time the program was developed was that rank-and-file Federal employees cannot afford an expensive health insurance plan. The committee, therefore, provided that the Civil Service Commission would offer two levels of benefits, which have commonly been known as "high option" and "low option." Witnesses before the committee were virtually unanimous in their belief that the overwhelming majority of employees would choose "low option" because of the cost involved. Those who had the money could pay "high option" if they would pay all the difference between the "low option" cost and the "high option" cost.

That assumption was incorrect. Almost from the beginning, employees chose the "high option protection." They preferred to pay more in order to get more insurance protection. Today, nearly 90 percent of all employees covered by the program choose "high option" regardless of the carrier they select and apparently regardless of the cost. So it worked out that the presumption that the Government would pay one-half of the cost of the insurance provided was in error. When almost all employees covered behave differently than the way the committee, the Civil Service Commission, and even the employees themselves thought they would behave, it is fair to say the program should be reexamined.

From June 1960 until November 1964, the Government contribution of $6.76 per month for self-and-family coverage equalled 34.9 percent of the cost of "high option," and 47.6 percent of "low option" of the Service Benefit plan. When rates began to go up annually beginning in November 1964, the Government's contribution of $6.76 dropped from 34.9 percent to 28.4 percent of total cost through June 1966. After a statutory increase in the amount of the contribution in July 1966, the Government's share rose to 37.3 percent, and then dropped to a 1969 figure of 25.2 percent. All of that is under the Service Benefit plan, the euphemistic title of the Blue Cross-Blue Shield plan.

I ask unanimous consent to insert in the RECORD at this point a detailed analysis of the rate history of the health insurance program prepared by the Civil Service Commission which shows the cost to both the employee and the Government for high option and low option protection from the beginning until the present time. This is an excellent rate history of the program.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM

TOTAL ESTIMATED PREMIUMS FOR GOVERNMENT-WIDE PLANS AND SHARE PAID BY THE GOVERNMENT AND BY THE EMPLOYEES, 1968–69

Plan	1968 Amount	1968 Percent	1969 Amount	1969 Percent
Service benefit plan (BC–BS):				
Total	$414,542,136	100.00	$495,313,692	100.00
Government contribution	130,768,344	31.55	132,150,276	26.68
Employee contribution	283,773,792	68.45	363,163,416	73.32
Indemnity benefit plan (Aetna):				
Total	138,311,604	100.00	179,733,972	100.00
Government contribution	46,433,280	33.57	48,322,008	26.86
Employee contribution	91,878,324	66.43	131,411,964	73.14
Both Government-wide plans:				
Total	552,853,740	100.00	675,047,664	100.00
Government contribution	177,201,624	32.05	180,472,284	26.73
Employee contribution	375,652,116	67.95	494,575,380	73.27

ENROLLMENT, DEC. 31, 1968, BY OPTION

	High	Low	Total
Service benefit plan:			
Total	1,308,650	166,864	1,475,514
Self only	354,313	44,550	398,863
Self and family	954,337	122,314	1,076,651
Indemnity benefit plan:			
Total	410,734	132,164	542,898
Self only	124,993	26,553	151,546
Self and family	285,741	105,611	391,352
Both plans:			
Total	1,719,384	299,028	2,018,412
Self only	479,306	71,103	550,409
Self and family	1,240,078	227,925	1,468,003

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM

[Total premium rates,[1] Government contribution rates,[1] employee contribution rates,[1] 1960–69, Government-wide plans, self and family coverage, by option]

Plan and option	June 1960–October 1961	November 1961–October 1962	November 1962–October 1963	November 1963–October 1964	November 1964–December 1965	January 1965–June 1966	July 1966–December 1966	1967	1968	1969
Service Benefit Plan (BC/BS):										
High option:										
Premium rate	$19.37	$19.37	$19.37	$19.37	$23.83	$23.83	$23.83	$28.30	$29.46	$35.23
Government contribution	$6.76	$6.76	$6.76	$6.76	$6.76	$6.76	$8.88	$8.88	$8.88	$8.88
Percent of premium	34.9	34.9	34.9	34.9	28.4	28.4	37.3	31.4	30.1	25.2
Employee contribution	$12.61	$12.61	$12.61	$12.61	$17.07	$17.07	$14.95	$19.42	$20.58	$26.35
Percent of premium	65.1	65.1	65.1	65.1	71.6	71.6	62.7	68.6	69.9	74.8
Low option:										
Premium rate	$14.21	$14.21	$14.21	$14.21	$14.21	$14.21	$17.76	$17.76	$17.76	$18.07
Government contribution	$6.76	$6.76	$6.76	$6.76	$6.76	$6.76	$8.88	$8.88	$8.88	$8.88
Percent of premium	47.6	47.6	47.6	47.6	47.6	47.6	50.0	50.0	50.0	49.1
Employee contribution	$7.45	$7.45	$7.45	$7.45	$7.45	$7.45	$8.88	$8.88	$8.88	$9.19
Percent of premium	52.4	52.4	52.4	52.4	52.4	52.4	50.0	50.0	50.0	50.9

Footnote at end of table.

FEDERAL EMPLOYEE'S HEALTH BENEFITS PROGRAM—Continued

[Total premium rates,[1] Government contribution rates,[1] employee contribution rates,[1] 1960–69, Government-wide plans, self and family coverage, by option]

Plan and option	June 1960–October 1961	November 1961–October 1962	November 1962–October 1963	November 1963–October 1964	November 1964–December 1965	January 1965–June 1966	July 1966–December 1966	1967	1968	1969
Indemnity Benefit Plan (Aetna):										
High option:										
Premium rate	$17.46	$17.46	$17.46	$18.98	$23.51	$25.91	$25.91	$25.91	$29.03	$37.72
Government contribution	$6.76	$6.76	$6.76	$6.76	$6.76	$6.76	$8.88	$8.88	$8.88	$8.88
Percent of premium	38.7	38.7	38.7	35.6	28.8	26.1	34.3	34.3	30.6	23.5
Employee contribution	$10.70	$10.70	$10.70	$12.22	$16.75	$19.15	$17.03	$17.03	$20.15	$28.84
Percent of premium	61.3	61.3	61.3	64.4	71.2	73.9	65.7	65.7	69.4	76.5
Low option:										
Premium rate	$13.52	$13.52	$13.52	$13.52	$13.52	$13.52	$13.52	$13.52	$15.16	$19.70
Government contribution	$6.76	$6.76	$6.76	$6.76	$6.76	$6.76	$6.76	$6.76	$7.58	$8.88
Percent of premium	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.	50.0	45.1
Employee contribution	$6.76	$6.76	$6.76	$6.76	$6.76	$6.76	$6.76	$6.76	$7.58	$10.82
Percent of premium	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	54.9

[1] Monthly.

Mr. McGEE. Mr. President, there are other plans, and the statistical evidence on the Government's contribution to these have not been gathered. Some of the plans offered by Federal employee organizations are much broader and cost a good deal more than the Blue Cross-Blue Shield and Aetna plans. But in all cases the Government's contribution is exactly the same—$8.88 per month for self-and-family protection regardless of the plan or option chosen by the employee. The annual premium at the present time is more than $675 million for the Government-wide plans alone. Of this amount, the Government pays $180 million and the employees pay $494 million.

The bill that I introduce today will provide that from now on the agency contribution to the cost of health insurance will be adjusted at the beginning of each fiscal year to an amount equal to one-half of the cost of the least expensive Government-wide high-option insurance plan. This is a reasonable limitation. The budget people could estimate with some degree of accuracy in advance the amount of money necessary to pay additional costs arising from more expensive hospital and doctor bills. There would be a ceiling necessarily imposed because the Government would not pay more than one-half of the cost of either Blue Cross-Blue Shield or Aetna, whichever offered the least expensive "high option" plan. That dollar amount would be the Government's contribution to any plans offered locally or by a Federal employee organization. This would avoid any "blue sky" competition to see who could offer the most health insurance.

We started well ahead of the pack in 1959 when we created the health insurance plan. Today we are no longer out front. Although the Federal program is broad and offers some of the best health insurance plans available, it is not better than some plans in private industry and it is substantially more expensive for the employees than larger employers in the private sector of the economy offer. It is time to catch up.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1772) to provide that the Federal Government shall pay one-half of the cost of health insurance for Federal employees and annuitants, introduced by Mr. McGEE, (for himself and Mr. BURDICK), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

S. 1773—INTRODUCTION OF FAIR SHARE TAX ACT

Mr. HART. Mr. President, today I introduce the Fair Share Income Tax Act of 1969. For many years I have been concerned that our income tax laws placed a heavy burden on those of small and modest means while at the same time providing the more affluent with special ways by which they can reduce—even escape—their tax load. These special provisions have made a mockery of the proposition that most citizens thought had been built into our tax structure, namely, that the more you earn the more income tax you pay.

Former Treasury Secretary Joseph W. Barr, testifying before the Joint Economic Committee earlier this year, made an eloquent plea for reforms in our income tax system when he said:

> Our income tax system needs major reforms now, as a matter of importance and urgency. That system essentially depends on an accurate self-assessment by taxpayers. This, in turn, depends on widespread confidence that the tax laws and the tax administration are equitable, and that everyone is paying according to his ability to pay.
>
> We face now the possibility of a taxpayer revolt if we do not soon make major reforms in our income taxes. Revolt will not come from the poor but from the tens of millions of middle-class families and individuals with incomes of $7,000 to $20,000, whose tax payments now generally are based on the full ordinary rates and who pay over half of our individual income taxes.
>
> The middle classes are likely to revolt against income taxes not because of the level or amount of the taxes they must pay but because certain provisions of the tax laws unfairly lighten the burdens of others who can afford to pay. People are concerned and, indeed, angered about the high-income recipients who pay little or no Federal income taxes. For example, the extreme cases are 155 tax returns in 1967 with adjusted gross incomes above $200,000 on which no Federal income taxes were paid, including 21 incomes above $1 million.

Secretary Barr spoke with deep conviction founded upon his experience as one of the Nation's leading fiscal officers. Since the date of his testimony before the Joint Economic Committee, January 17, 1969, we have heard and read much on the probabilities of income tax reform. A study is now being conducted by the House Ways and Means Committee which, hopefully, will result in meaningful and comprehensive reform. We also hear reports that the Nixon administration may delay implementing any tax reforms until 1971.

Certainly, there is no doubt that some of the areas marked out for reform will require additional thorough study to determine their effect on the Nation's economy. However, there are questions upon which we can all agree and in which reforms should be implemented as soon as possible.

The bill I introduce today, Mr. President, is, I believe, one of those upon which there can be a general agreement. What I propose is that we insure that those best able to pay income taxes do, in fact, pay income taxes. This, as my bill details, can be done by the imposition of a minimum tax. Stated simply, the proposal amends the Internal Revenue Code to provide new tax tables for those who under the existing law, by taking advantage of such provisions as the allowances for depletion, depreciation, and capital gains, have only minimum tax liability, or no tax liability at all. The rates would vary as they do now, ranging from 7 to 35 percent. In addition, there is a provision for a minimum corporate income tax.

Mr. President, passage of this bill will not remove all the inequities in our present tax structure. It does not affect several defects, the correction of which I have supported in the past and will continue to support. For instance, it does not ease the burden of those with children in college, a matter which the distinguished Senator from Connecticut (Mr. RIBICOFF) has dealt with in previous Congresses, and one on which I expect to support him again in the near future. It does not increase personal exemptions from $600; it does not exclude as gross income the first $5,000 of civil service retirement; it does not provide head-of-household benefits to certain single persons; it does not modify the oil depletion and capital gains allowances—all of these changes which I support.

Passage of my proposal, Mr. President, is intended to accomplish one simple result: to insure that those with the ability to pay would in fact pay their fair share of income taxes. It would be a start toward improving and perfecting the income tax structure, one of our country's strongest assets. The other changes which I have cited and which equity requires should be incorporated in the comprehensive reform being developed in the House Ways and Means Committee and adopted as promptly as possible.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1773) to amend the Internal Revenue Code of 1954 to impose a minimum income tax, introduced by Mr. HART, was received, read twice by its title, and referred to the Committee on Finance.

S. 1774—INTRODUCTION OF DESIGN PROTECTION ACT OF 1969

Mr. HART. Mr. President, I introduce, for appropriate reference, today the proposed Design Protection Act of 1969. The purpose of the legislation is to provide effective protection for original ornamental designs from unauthorized copying.

The need for the legislation has been established in hearings before the Patents Subcommittee of the Committee on the Judiciary. The legislation was approved by the Senate in previous Congresses but has been unsuccessful in the House of Representatives. In this Congress a number of bills similar to the one I propose have been introduced in the House, and it is hoped that they will be favorably considered. It is my belief that the equity of this proposal will again result in favorable action by the Senate.

S. 1776—INTRODUCTION OF A BILL FOR THE ISSUANCE OF A SPECIAL POSTAGE STAMP IN THE HONOR OF THE LATE DR. MARTIN LUTHER KING, JR.

Mr. GRIFFIN. Mr. President, I introduce, for appropriate reference, a bill to authorize the issuance of a special postage stamp in honor of the life and service of the late Dr. Martin Luther King Jr.

In 1811, Thomas Jefferson said:

> Politics, like religion, hold up the torches of martyrdom to the reformers of error.

In 1964, Martin Luther King said:

> The Negro is willing to risk martyrdom in order to move and stir the social conscience of his community and the Nation.

To the shock and sadness of millions, Martin Luther King's risk became a reality on that fateful day a year ago.

Mr. President, Dr. King died so that others of his race might live in freedom.

To millions of Americans, he was the prophet of the Negroes' quest for racial equality, their voice of anguish, their champion for human dignity.

While I offer this legislation today to memorialize this great civil rights leader, the measure of the man and his movement is already memoriailzed by the fact that his crusade goes on with a new sense of urgency.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1776) to provide for the issuance of a special postage stamp in honor of the late Dr. Martin Luther King, Jr., introduced by Mr. GRIFFIN, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

S. 1779—INTRODUCTION OF A BILL FOR RELIEF OF BOGDAN BEREZNICKI

Mr. HART. Mr. President, the bill I introduce grants authority to the Foreign Claims Settlement Commission to reopen the claim of Bogdan Bereznicki for compensation for family property confiscated in Poland during World War II. This legislation is necessary to right the wrong he suffered as a result of an incorrect ruling by the Immigration and Naturalization Service for which there is now no administrative remedy.

Mr. Bereznicki first approached me in early May 1967 for help in appealing the decision of the Immigration and Naturalization Service that he had forfeited his citizenship by his service in the Polish Army. On the basis of the Immigration Service ruling, the Foreign Claims Settlement Commission was forced to deny his claim.

A series of court and administrative decisions relating to the supposed forfeiture of his citizenship led to a ruling that Mr. Bereznicki had, in fact, continuously been a citizen from the date of loss as required by the Claims Commission, but by this time the jurisdiction of the Commission had expired and it was unable to consider this new evidence.

While the bill does not presume to judge the merits of the claim, it does emphasize my conviction that equity requires that this lifelong citizen have the same consideration under the law as had other citizens who were unaffected by an erroneous decision by their government.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1779) for the relief of Bogdan Bereznicki, introduced by Mr. HART, was received, read twice by its title, and referred to the Committee on the Judiciary.

S. 1781—INTRODUCTION OF A BILL TO ALLOW DISABLED WORKERS TO RECEIVE BOTH SOCIAL SECURITY BENEFITS AND WORKMEN'S COMPENSATION

Mr. RANDOLPH. Mr. President, I introduce, for appropriate reference, a bill to repeal section 224 of the Social Security Act. This legislation will correct a serious inequity resulting from the Social Security Act by the amendments of 1965. Section 224 provides for reduction in social security insurance benefits payable to a disabled worker and his family who are receiving workmen's compensation. Presently, this restriction applies if the total monthly benefits of the two programs exceed 80 percent of his average current earnings before he became disabled.

The unfairness of this provision is further compounded by its application only to those persons who become eligible for disability insurance benefits after December 31, 1965. It does not apply to those who were already receiving these benefits.

As of December 1967, 9,965 disabled worker families, involving a total of 29,796 beneficiaries, were affected by this section of the act. The average monthly reduction in social security benefits for a disabled worker with no dependents was $53.57. The reduction for a worker with one or more dependents was $158.42. In some cases a worker's social security benefits have been totally eliminated due to receipt of workmen's compensation.

The total number of persons subjected to the workmen's compensation offset provision may not be large. However, the effect of this reduction of a beneficiary's monthly payment is significant.

It is my belief that this provision places an unjust burden upon our workmen injured on the job and their families. These workers have encountered a serious financial setback by loss of their ability to participate fully in the employment market and, therefore, loss of potential income.

It is possible that in some cases beneficiaries may receive excessive benefits if this section is repealed. But this would be preferable to the continuation of a policy that results in insufficient payments in the majority of cases.

Mr. President, I am pleased to have as cosponsors of this measure the Senator from Tennessee (Mr. BAKER), the Senator from West Virginia (Mr. BYRD), the Senator from Montana (Mr. METCALF), the senior Senator from Pennsylvania (Mr. SCOTT), and the junior Senator from Pennsylvania (Mr. SCHWEIKER).

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1781) to amend title II of the Social Security Act to eliminate the reduction in disability insurance benefits which is presently required in the case of an individual receiving workmen's compensation benefits, introduced by Mr. RANDOLPH (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

SENATE JOINT RESOLUTION 88—INTRODUCTION OF A JOINT RESOLUTION TO CREATE A COMMISSION TO STUDY THE BANKRUPTCY LAWS OF THE UNITED STATES

Mr. BURDICK. Mr. President, I introduce today legislation creating a Commission on the Bankruptcy Laws of the United States. A similar measure, Senate Joint Resolution 100, passed the Senate in the second session of the 90th Congress, but too late for the other body to act.

The purpose of the Commission envisioned by Senate Joint Resolution 100 was to "study, analyze, evaluate, and recommend changes to the Bankruptcy

91ST CONGRESS
2D SESSION

H. R. 16968

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 1970

Mr. DANIELS of New Jersey (for himself, Mr. HENDERSON, Mr. OLSEN, Mr. UDALL, Mr. NIX, Mr. HANLEY, Mr. CHARLES H. WILSON, Mr. WALDIE, Mr. WILLIAM D. FORD, Mr. HAMILTON, Mr. TIERNAN, Mr. BRASCO, Mr. PURCELL, Mr. CORBETT, Mr. CUNNINGHAM, Mr. BUTTON, Mr. SCOTT, Mr. MESKILL, Mr. LUKENS, and Mr. HOGAN) introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8906 (a) of title 5, United States Code, is amended to read as follows:

"(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted, beginning on

the first day of the first pay period of each year, to an amount equal to 50 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefit plan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

(b) The amendment made by subsection (a) of this section shall become effective at the beginning of the first applicable pay period which commences after December 31, 1970.

SEC. 2. (a) Section 8901 (3) (B) of title 5, United States Code, is amended to read as follows:

"(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;".

(b) Section 8901 (3) (D) (i) of title 5, United States

Code, is amended by striking out ", having completed 5 or more years of service,".

SEC. 3. (a) Section 8701 (a) (B) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

(b) Section 8901 (1) (ii) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

SEC. 4. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86–724) is amended as follows:

(1) Section 2 (4) is amended by inserting immediately before the period at the end thereof a comma and the following: "and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act";

(2) Sections 4 (a) and 6 (a) are each amended by adding at the end thereof the following sentence: "The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act."; and

(3) Section 9 is amended by adding at the end thereof the following subsection:

"(f) Notwithstanding any other provision of law, there

shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.".

(b) The amendments made by subsection (a) of this section shall become effective on January 1, 1971.

91ST CONGRESS
2D SESSION

H. R. 16968

A BILL

To provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes.

By Mr. DANIELS of New Jersey, Mr. HENDERSON, Mr. OLSEN, Mr. UDALL, Mr. NIX, Mr. HANLEY, Mr. CHARLES H. WILSON, Mr. WALDIE, Mr. WILLIAM D. FORD, Mr. HAMILTON, Mr. TIERNAN, Mr. BRASCO, Mr. PURCELL, Mr. CORBETT, Mr. CUNNINGHAM, Mr. BUTTON, Mr. SCOTT, Mr. MESKILL, Mr. LUKENS, and Mr. HOGAN

APRIL 14, 1970
Referred to the Committee on Post Office and Civil Service

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of May 7, 1970
91st-2nd; No. 73

CONTENTS

HIGHLIGHTS: House passed supplemental appropriations bill. Rep. Hall objected to striking teamsters receiving food stamps.

HOUSE

1. APPROPRIATIONS. Passed with amendments H. R. 17399, making supplemental appropriations for the fiscal year ending June 30, 1970. pp. H3999-H4031 (For items of interest to this Department see Digest No. 68).

   The Appropriations Committee reported H. R. 17548, making appropriations for sundry independent agencies (H. Report No. 91-1060). p. H4092

2. FARM PAYMENTS. Rep. Henderson inserted his statement in which he announced that he has asked Reader's Digest for space to respond to an article, "Time to Say No to Big Farm Subsidies." He said that his article would point out the "distortions and inaccuracies"of their article. pp. H4036-7

3. FOOD STAMPS. Rep. Hall said that it had been substantiated that striking members of the Teamsters Union in St. Louis are receiving federal food stamps and called upon Congress "to amend and remedy the food stamp law to end this inequitable practice." pp. H4038-9

4. HOUSING. The Banking and Currency subcommittee approved for full committee action H. R. 17495, amended, to increase the availability of mortgage credit for the financing of urgently needed housing. p. D456

5. RECREATION. The Interior and Insular Affairs subcommittee approved for full committee action H. R. 14114, amended, to improve the administration of the national park system by the Secretary of the Interior, and to clarify the authorities applicable to the system. p. D457

6. PERSONNEL. The Civil Service Committee voted to report (but did not actually report) H. R. 16968 amended, to provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants. p. D457

7. REORGANIZATION. The Government Operations Committee voted to report (but did not actually report) H. Res. 960, to disapprove Reorganization Plan No. 2, involving changes in the Bureau of the Budget and the creation of a Cabinet-level domestic council. p. D457

Rep. Holifield discussed the major features of the plan and recommended the adoption of the resolution and the rejection of the plan. pp. H4078-82

8. ADJOURNED until Mon., May 11. p. H4091

SENATE

9. WATER RESOURCES. Both Houses received reports of river basin commissions established under the Water Resources Planning Act of 1965 (H. Doc. 91-334). pp. S6830, H3999

10. MANPOWER TRAINING. Sen. Javits stated he intends to submit an amendment to the proposed new Manpower Training Act "to provide a limited number of opportunities in the public sector and to 'trigger' additional funds for such public-employment opportunities, as well as training." pp. S6839-40

11. POLLUTION; ENVIRONMENT. Sen. Proxmire suggested modifying S. 3665, to impose a 1¢ per pound national disposal fee on all goods--except consumables--which are going to require disposal within 10 years of origin. pp. S6841-3

Sen. Yarborough inserted a statement by the National Council of Women emphasizing the role of the public in achieving clean air. pp. S6847-50

12. NATIONAL PARK. Sen. Yarborough inserted a Women's Club of Rio Grande City resolution calling for the establishment of Big Thicket National Park. pp. S6858-9

13. ADJOURNED until Mon., May 11. p. S6873

EXTENSION OF REMARKS

14. HUNGER. Rep. Donohue inserted articles supporting programs to feed the hungry. p. E3991

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
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For actions of May 13, 1970
91st-2nd; No. 76

CONTENTS

HIGHLIGHTS: House rejected resolution disapproving Reorganization Plan No. 2. Sen. Miller inserted article discussing agricultural policy of Common Market. Sen. Miller introduced and discussed bill to revise quota-control system on meat imports.

SENATE

1. NATIONAL SEASHORE. Passed with amendments S. 2208, to authorize a study concerning establishment of Lake Tahoe as a national seashore. pp. S7065-7

2. LAND CLAIMS. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendments S. 1830, providing for settlement of land claims of Alaska natives. p. D476

3. INTERNATIONAL EXPOSITIONS. Agreed to House amendment to S. 856, to provide for U. S. participation in international expositions held in the U. S., raising to $200,000 the maximum appropriation to carry out the purposes of the act. This bill will now be sent to the President. p. S7100

4. FOOD; EXPORTS. Sen. Miller inserted a lengthy report which discusses the common agricultural policy of the Common Market and its implications for U. S. agricultural exports, "Less American Food for Europe; Growing Disillusion With The Common Market." pp. S7113-6

HOUSE

5. APPROPRIATIONS. The Rules Committee reported a resolution providing for consideration of H. R. 17575, making appropriations for the Depts. of State, Justice, and Commerce, and the Judiciary. p. H4306

6. IMPORTS. The Ways and Means Committee reported H. R. 17241, continuing the suspension of duties on certain forms of copper (H. Rept. No. 91-1079); H. R. 14720, continuing the suspension of duties on manganese ore (H. Rept. No. 91-1077); and with amendment H. R. 8512, to suspend for a temporary period the import duty on L-Dopa (H. Rept. No. 91-1076). p. H4367

7. WORKING FUND. The Ways and Means Committee reported H. R. 16199, establishing a working capital fund for the Treasury Dept. (H. Rept. No. 91-1078). p. H4367

8. ENVIRONMENT. The Goverment Operations Committee issued a report, "The Environmental Decade (Action Proposals for the 1970's)" (H. Rept. No. 91-1082). p.H4367

9. PERSONNEL. The Post Office and Civil Service Committee reported H. R. 16968, adjusting the Government contributions to the health benefits program for Federal employees and annuitants (H. Rept. No. 91-1084). p. H4367

10. INFORMATION; STATISTICS. The Post Office and Civil Service Committee issued a report, "Statistical Activities of the Federal Government, 1969" (H. Rept. No. 91-1085). p. H4367

11. TRADE FAIRS. Both Houses received the annual report on U. S. participation in trade fairs in 1969. p. H4306, S7061

12. AIRPORTS; USER FEES. Agreed to the conference report on H. R. 14465, providing for the expansion and improvement of airports and the airway system and for the imposition of user charges. This bill will now be sent to the President. pp. H4306-12

13. REORGANIZATION. Rejected, 164 to 193, H. Res. 960, disapproving Reorganization Plan No. 2. pp. H4312-47

14. CONSERVATION; POLLUTION. Rep. Schwengel announced intent to introduce legislation to aid farmers in conservation and pollution abatement practices. p. H4365

The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment, H. R. 15913, to amend the Land and Water Conservation Fund Act of 1965. p. D478

BILLS INTRODUCED

15. MEAT IMPORTS. S. 3831, by Sen. Miller, to revise the quota-control system on the importation of certain meat and meat products; to Finance Committee. Remarks of author p. S7073

91st Congress, 2d Session } HOUSE OF REPRESENTATIVES { Report No. 91-1084

ADJUSTMENT OF GOVERNMENT CONTRIBUTION FOR FEDERAL EMPLOYEE HEALTH BENEFITS

May 13, 1970.—Ordered to be printed

Mr. Daniels of New Jersey, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 16968]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 16968) to provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

Purpose

The major purpose of the legislation is to relieve employees and annuitants from continuing to bear a disproportionately large share of the premium charges under the Federal Employees' Health Benefits program.

It is also the purpose to extend coverage under this program and the Federal Employees' Group Life Insurance program to non-citizen employees of the United States in the Panama Canal Zone; to permit Part B of Medicare to be a qualifying plan under the Retired Federal Employees' Health Benefits program; and to correct an inequity with respect to the survivors of employees who have less than five years of service.

Summary of H.R. 16968

Government contributions.—H.R. 16968 provides that effective in January 1971, and each year thereafter, the Government's share of the premiums charged under the Federal Employees' Health Benefits program will be pegged to the high-option level of benefits, using a premium base representative of the different kinds of plans that participate. Each year the unweighted average of the high-option

premiums for self only or for self and family of the two Government-wide plans, the two largest employee-organization plans, and the two largest prepayment group practice plans will be used to determine the maximum Government contribution to all plans and options. These six plans currently represent approximately 90 percent of all enrollments. The maximum Government contribution for all employees and annuitants would be fixed at 50 percent of such average. The Government contribution could not, however, exceed 50 percent of the premium charges for a plan's low-option level of benefits.

This proposal eliminates the maximum dollar amounts and expresses the Government contribution in terms of a percentage of total subscription charges. It has the added advantage of annual automatic adjustment. To illustrate, if it were applied to current 1970 high-option premiums, the monthly Government contribution for family enrollments would increase from $8.88 to $19.85, and for individual enrollments from $3.64 to $7.80. Beginning next January, though, premiums probably will be increased further, and the average for the six plans would be recomputed, with the Government contribution adjusted upward beyond the amounts cited.

It is the judgment of the Committee that to do less would perpetuate the unfair practice of requiring retirees and employees to bear the "lion's share" of incessantly rising costs. This legislation will put meaning into the funding formula by updating it in a manner to assure that the Government is at least striving to match private industry's trend toward providing its workers and pensioners cost-free health insurance.

Short-term employees.—The existing health benefits law requires that in order for the surviving spouse or children of a decreased Federal employee to retain the health benefits protection accorded them during his lifetime, the decedent must have completed at least five years of service. However, Public Law 91–93, approved October 20, 1969, amended the civil service retirement law to grant annuity benefits to such survivors of employees who die in active employment after completing at least 18 months of service. To conform to that length of service modification, H.R. 16968 provides for the continuance of health benefits coverage to the survivor annuitants of such short-term employees. The amendment also applies to the survivors of an employee who dies as a result of a job-incurred injury or illness, and who are eligible for employee compensation benefits.

Canal Zone noncitizens.—From the enactment of the Federal Employees' Group Life Insurance Act in 1954 and the Federal Employees' Health Benefits Act in 1959, all noncitizen employees whose permanent duty stations are outside the United States have been excluded from coverage under both programs.

Noncitizen employees have constituted the bulk of our Government's work force in the Canal Zone during the digging of the Panama Canal and since its opening in 1914. They have performed loyally and well for the United States.

These exclusions have not been in consonance with the repeatedly enunciated public policy of assuring to Panamanian citizens employed by our Government in the Canal Zone equality of treatment with United States-citizen employees stationed in Panama. The promise of

parity has been only partially achieved, primarily in the areas of wages and retirement coverage.

To fulfill the long-standing commitments of the United States contained in treaty negotiations and reaffirmed in subsequent Memoranda of Understandings—to make available to Panamanian employees the same governmental health and life insurance benefits as are available to United States-citizen employees—this legislation extends coverage under both the Federal Employees' Health Benefits and Federal Employees' Group Life Insurance programs to noncitizens actively employed by the United States in the Panama Canal Zone. This amendment, however, has no application to noncitizens permanently employed in other worldwide areas outside of the United States and the Panama Canal Zone.

Part B, Medicare for certain retirees.—The Retired Federal Employees' Health Benefits Act, applicable to pre-July 1960 retirees and survivors, restricts a direct Government contribution to only those annuitants who subscribe to health insurance plans offered by nongovernmental organizations, and denies such contribution in the event he or she receives a Government contribution toward another plan.

This legislation amends Public Law 86–724 to the extent that Part B of the Medicare program will constitute a qualifying plan. Thus, some of this class of annuitants who are not receiving the Government contribution otherwise authorized, and some who are using it for nongovernmental-sponsored plans, will be eligible to receive the respective $3.50 or $7.00 monthly contribution to apply in payment of their share of supplementary medical insurance under the Medicare program.

The bill also authorizes the Civil Service Commission to waive the recovery of any such direct payments when, in the Commission's judgment, the annuitant is without fault and when recovery would be contrary to equity and good conscience.

Background

Federal employees' health benefits program

The Federal Employees' Health Benefits Act of 1959 (Public Law 86–382, approved September 28, 1959, chapter 89 of title 5, United States Code) established the largest voluntary group health insurance plan in existence in the United States, effective July 1, 1960. It made basic and major health protection available to Federal employees in active service on and after July 1, 1960, and to their families. Such group coverage was also extended to those (and their families) who would retire from active service thereafter.

The primary purpose of the legislation was to facilitate and strengthen the administration of the activities of the Federal Government generally and to improve personnel administration by providing a measure of protection for civilian Government employees against the high, unbudgetable, and, therefore, financially burdensome costs of medical services through a comprehensive Government-wide program of insurance for Federal employees and their dependents, the costs of which were to be shared by the Government, as employer, and its employees.

Since its inception, employees have had a free choice among plans in four major categories, including (1) a Government-wide service benefit plan offered by Blue Cross-Blue Shield, (2) a Government-wide indemnity plan offered by the insurance industry, (3) one of several employee organization plans, and (4) a comprehensive prepayment plan. The two Government-wide plans must offer at least two levels of benefits—a low option or "standard" policy and a high option or "preferred" policy. While the current 36 employee organization and prepayment plans may offer two levels of benefits, only 14 do so, the remaining 22 offering only a high option level. All plans allow for coverage for self alone, or for self and family.

Perhaps the program is unique when compared with traditional patterns in private industry, in that the employee has a broad range of choice between carriers and levels of benefits, and, to a lesser degree, may continue coverage into retirement. While the law prescribes, in general, the types of benefits to be provided under all plans, it authorizes the Civil Service Commission to contract with qualified carriers for such services, subject to any maximums, limitations, or exclusions considered necessary or desirable. However, it stipulates that the rates charged under all plans reasonably and equitably reflect the cost of the benefits provided, and that the rates of the two Government-wide plans be determined on a basis which is consistent with the lowest schedule of basic rates generally charged for new group plans issued to large employers.

In the development of the enabling legislation, congressional proponents favored a 50–50 employee-employer sharing of all costs and such a rate of contribution was included. However, because of the unknown factors inherent in an entirely new area of Federal employee fringe benefits in which the Government had no previous experience, and because of fiscal considerations, a limitation was placed on the maximum contribution to be paid by the Government. This maximum was geared to the least expensive Government-wide low option plan and a dollar limitation was imposed which, at that time, contemplated that a "standard" policy which would be adequate for most employees' needs could be purchased on a 50–50 sharing basis. It provided, further, that "preferred" policies be made available, but that those employees enrolling in high option or more expensive prepayment plans would pay the entire costs of the additional richer benefits.

In 1960 the initial distribution of enrollments between self-only and family coverage, between high and low options, and among the various 30-odd plans resulted in the Government's contributing approximately 38 percent of the aggregate premiums for all enrollments, with employees contributing 62 percent.

As time went on, this 38 percent Government share of the aggregate premium gradually diminished for two main reasons: (1) employees gravitated toward the more adequate high options; and, (2) high-option premiums increased because the cost of medical care increased, improved benefits were made available, and a relatively high morbidity was experienced. In contrast, experience of the low options was very good because there was a strong tendency for healthy employees with healthy families to choose this less expensive coverage. Until recently, low-option premium rates remained fairly stable and

the Government contribution, which was geared to these rates, could not be increased to reflect the increasing cost of medical care.

By 1966 the Government's share of the program's cost was down from 38 percent to 28 percent of the total average premium. Effective in August of 1966, Public Law 89–504 (5 U.S.C. 8906(a) and (b)) increased the maximum Government contribution so as to restore it, in effect, to the less-than-ideal initial 1960 level of 38 percent. However, premium increases (primarily for high options) in January of 1967, 1968, 1969, and 1970, have again diminished the Government's contributions to approximately 24 percent of present aggregate premiums. In fact, there are now only a few low-option plans in which the Government's contribution equals one-half of the total premium charges.

RETIRED EMPLOYEES' HEALTH BENEFITS PROGRAM

The Retired Federal Employees' Health Benefits Act of 1960 (Public Law 86–724, approved September 8, 1960) established a health benefits program, effective July 1, 1961, for Federal retirees and their dependents who were not eligible to enroll in the Federal Employees' Health Benefits program because of their retirement prior to July 1, 1960.

Experience gained from implementing the 1959 Act indicated the desirability of establishing (1) a single uniform Government-wide plan, rather than the multiplicity of plans developed under the active employee program; and (2) in order to meet the varying needs of retirees, to grant the option of a person retaining or enrolling in a private health benefits plan (subject to certain qualification requirements), with the Government's contribution to the cost being paid directly to the annuitant.

Pursuant to the statutory authority, the Civil Service Commission entered into a contract with the insurance industry (Aetna) for a uniform plan, in which the retiree had the option of electing a basic policy and/or a major policy. While the law provides a minimum $3 and a maximum $4 monthly Government contribution for self-only coverage, the Commission allows a Government contribution of $3.50 per month. The Government contribution for self-and-family is twice that amount, or $7 per month. These same contributions are generally paid to annuitants who elect a direct payment.

Subsequent to the advent of Medicare, the total premium charges for the Uniform plan have been substantially reduced, but the Government contribution has remained constant. In some cases the Government contribution is as much as two-thirds, whereas in others it ranges from one-third to one-half of the total charges.

This particular program will eventually cease to exist when the pre-July 1, 1960, retirees and their survivors become deceased.

STATEMENT

The Committee on Post Office and Civil Service considers the operation of the Federal employees' and annuitants' health benefits programs to be one of its most important responsibilities. In fulfillment of this responsibility, its Subcommittee on Retirement, Insurance, and

Health Benefits recently conducted public hearings to review and evaluate the experience and administration of these programs, which are of vital importance to both the active and retired Federal workforce.

Enrollments under these programs approximate 2.8 million employees and annuitants, over 5½ million dependents, or a total of almost 8½ million persons. Benefits valued at approximately $800 million were provided during the calendar year 1969.

Under the Federal Employees' Health Benefits program, the two Government-wide plans account for 79 percent of total enrollment; employee organizations plans 15 percent; and prepayment plans 6 percent. About 84 percent of all enrollments are in the high option levels, and three-fourths of all enrollments are in the family category. Under the Retired Federal Employees' Health Benefits program, enrollments in the Uniform plan account for slightly less than half of the total persons covered.

The Committee has had a continuing concern over the sky-rocketing costs of providing health benefits protection under the programs within its jurisdiction. Medical care costs, including the cost of hospitalization, surgery, physician and nursing fees, drugs and medicines, and laboratory services, have spiraled in recent years and continue to accelerate faster than the prices of any other commodities or services.

In the post-World War II period charges for medical care have risen persistently. From 1946 thru 1969 the medical care component of the Consumer Price Index increased by 158 percent, to 258 percent of what it was in 1946. During the same years the index for all consumer items rose at a much slower rate, increasing comparatively by 88 percent.

Increases in medical care costs have particularly occurred since 1959. With a base period of 1957–59 equaling 100, the medical care index rose from 104.4 in 1959, the year in which the Federal Employees' Health Benefits program was enacted, to 159.0 in January of 1970. The "all items" index increased from 101.5 in 1959 to 131.8 in January of 1970. While the medical care index rose by an average rate of 4.7 percent annually during the 1950's, it slowed somewhat during the early 1960's as medical care prices followed the generally slower rise of all service industry prices. In the late 1960's, however, medical care prices have increased at a much faster rate, rising 6.6 percent in 1966, 6.4 percent in 1967, 6.1 percent in 1968, and 6.9 percent in 1969

A particularly disturbing fact is that daily hospital rates have been increasing more rapidly than any other component of the medical care price index, which increased 595 percent in the post-war period; that is, they increased to 695 percent of what they were in 1946. While physicians' fees increased 142 percent over the same period, the index for all consumer items increased 88 percent. Within the medical care component, hospital room rates rose especially sharly, increasing by 16.5 percent in 1966, and leaping further by an additional 15.5 percent in 1967.

The problem of escalating health care costs is common to all segments of the Nation, and it is apparent that the Committee's scope of activity cannot, unfortunately, effectively stop or minimize spiraling costs of medical care. Premiums must be sufficient to pay for the bene-

fits provided, and rate increases must be approved annually in order to maintain the financial soundness of the plans participating in the Federal Employees' Health Benefits program.

As health care costs rise, the portion of them not covered by insurance constitutes a greater burden for Government employees and annuitants. As premium charges rise to cover such costs, an additional financial burden is imposed upon these employees and retirees. Our concern is heightened by the fact that the enrollees have been repeatedly forced to assume all of the premium increases attributable to spiraling hospital and medical costs, due to the obsolete dollar limitations imposed upon the Government contribution in years past.

Since the inception of the program, the Government has made a uniform dollars-and-cents contribution to the enrollees' selected health insurance plan. In 1960 that monthly contribution of a self-and-family plan was $6.76, which was 50 percent of the cost of the least expensive Government-wide low option plan. Most participants did not choose low option benefits, however, but selected the more adequate high option coverage. Such preponderance of selection resulted in employees sharing more than 60 percent of the cost of their respective plans. As premium charges increased thereafter, because of the fixed maximum contribution, the Government's relative percentage of contribution declined to an average of 28 percent of total charges.

The individual's plight was slightly alleviated in 1966 when the uniform monthly Government contribution was increased to $8.88. Within a period of five short months, because of continuously rising premium charges, the Government's relative share again began to decline below an average of 38 percent of charges. In fact, during the program's ten-year history premium costs have increased by more than 120 percent, but enrollees' costs have increased by over 175 percent, while the Government's contribution, as a percentage of the total, has declined by 40 percent. The real inequity, attributable to the Government's fixed dollar contribution, is that employees and annuitants are presently paying over 75 percent of the costs of their medical insurance, whereas the Government is paying less than 25 percent of the total costs.

The Committee takes cognizance of a recent actuarial evaluation of the program made by Milliman and Robertson, Inc., regarded by the insurance industry as one of the country's leading consultants in the field. The consulting actuaries report stated:

> It would seem desirable for the government to pay a larger part of the premium since the limitations now imposed have resulted in the decreasing percentage of contribution observed.

Recognizing the traditionally conservative nature of actuarial authorities, particularly in submitting such a report to the Government, the Committee feels the suggestion to be most compelling, the variable being the relative percentage of costs that the Government will equitably assume. In an apparent effort to indicate what funding role the Government should play, the actuarial consultants reported:

A review was made of seven very large employer plans that had been recently revised, and which have benefits comparable to the government-wide plans.

In all instances the employer paid part of the cost; in three instances the entire premium for both employees and dependents was paid by the employer; in only one case was the employee contribution more than $3.00 for an individual enrollment or $7.00 for a family enrollment.

It is the opinion of the Committee, supported by voluminous testimony, that the Federal Government, as a major employer, is lagging far behind major employers in the private sector in this important area of employee benefit programs. Evidence, confirmed by official Government statistics and analyses, shows that major industrial employers are paying most, if not all, of the costs of comparable health benefits protection for their workers. In acknowledging this relative position, and agreeing that an increase in the Government contribution is justified, the Administration recommended a measure of partial relief—that is, to increase the Government's contribution to a level comparable to what it was 10 years ago.

It is the consensus of the Committee, however, that the Government's maximum contribution under the Federal Employees' Health Benefits program be increased to a level at which it will share equally with most of the program's enrollees the premium charges for coverage, and that such cost-sharing ratio be maintained in future years.

Commentary

During the course of hearings on this legislation, information was developed that the Service Benefit Plan sponsored by Blue Cross-Blue Shield still provides, in certain geographic areas, only a limited basic surgical-medical benefit if the subscriber's income exceeds a certain amount. Stated differently, the plan, in affected areas, provides the same dollar benefit for all subscribers. However, if the subscriber is under the income ceiling, the participating doctor must accept the benefit as payment in full; if the subscriber is over the income ceiling, the doctor can impose an additional charge which may be partly covered by supplemental benefits or not covered at all.

The Committee is aware that income ceilings at one time were the *modus operandi* of all local Blue Shield plans, but that income ceilings have been abandoned except in a fery few localities, notably the local Blue Shield plan in the Washington, D.C., metropolitan area—which probably serves more Federal employees than any other local plan. The Committee believes that income ceilings are an anachronism, that they discriminate against Federal employees in areas where they are still applied, and strongly urges that they be eliminated forthwith.

Representations have been made to the Committee by the American Optometric Association that plans which participate under the Federal Employees' Health Benefits program do not include optometrists in their definition of the term "doctor". The significance of this exclusion is that a Federal employee who chooses to be treated by an optometrist for a condition that would be covered if treated by a physician, receives no health benefits for the expense involved.

The Committee views the recognition of various practitioners of the healing arts for licensing and insurance purposes as falling within local or State, rather than Federal, jurisdiction and believes it inappropriate for the Congress to legislate concerning this matter. It is the Committee's understanding that the laws of many States already require insurance carriers to pay for the services of optometrists, who are not physicians, when these services would be covered if provided by a physician.

Although the Committee is not, for the reasons indicated, recommending legislation on this point, it is of the opinion that a Federal employee should not be denied benefits for a covered service because he chooses to have it performed by an optometrist, rather than a physician. It is recommended that the Civil Service Commission take appropriate action to inform carriers that the fact they are administering a Federal contract is no reason for circumventing compliance with applicable State laws.

The Committee also observes the favorable experience of the Retired Federal Employees' Health Benefits program's. Uniform Plan. The hope is expressed that with such continued experience the Civil Service Commission will find it feasible to further reduce those annuitants' contributions and/or improve the extent of benefits provided, without any diminution of the Government contribution.

It is the Committee's belief that an educational program, well-conceived and widely broadcast among all participants and all carriers, will be of value in somewhat limiting the incessant trends toward increased costs. A resulting abatement of these trends may presumably result from the elimination of some unnecessary utilization of medical services or excessive charges for certain services. It is felt that such a program would be mutually beneficial to the employees and annuitants, the taxpayers, and the carriers. Should it not be feasible for the Civil Service Commission to conduct a program of this nature directly, it is recommended that the Commission exert its influence and prestige upon the participating carriers toward its development and implementation.

Effective Dates

The amendments made by sections 1 and 4 are effective as specified in the sectional analysis. The amendments made by sections 2 and 3 are effective on the date of the enactment of this legislation.

Explanation of the Bill by Sections

The proposed statutory changes involve amendments to chapters 87 and 89 of title 5, United States Code, and the Retired Federal Employees' Health Benefits Act, approved September 8, 1960, Public Law 86–724.

The first section amends section 8906(a) of title 5, United States Code, effective at the beginning of the first pay period commencing in January 1971, by eliminating the fixed dollar amount of biweekly Government contributions and expressing such contributions in terms of 50 percent of the average high-option subscription charges of the six largest populated plans representative of the different kinds of

health care delivery plans. Subsequent adjustments would become effective in January of each year thereafter.

Section 2 amends section 8901(3)(B) by eliminating the minimum five-year service requirement of deceased employees in order for their survivor-annuitants or beneficiaries to be eligible for continued health benefits coverage.

Section 3 amends section 8701(a)(B) and 8901(1)(ii) to include, rather than exclude, a noncitizen employee of the United States whose permanent duty station is in the Panama Canal Zone within the purview of the Federal Employees' Group Life Insurance and Health Benefits programs.

Subsection 4(a)(1) amends section 2 of Public Law 86–724 to include as a "carrier" the Social Security Administration for purposes of supplementary medical insurance under part B of the medicare program (42 U.S.C. 1395j), effective January 1, 1971. Subsection 4(a)(2) amends sections 4 and 6 thereof so as to conform to the amendment made by subsection (1). Subsection 4(a)(3) adds an amendment to section 9 thereof, authorizing the Civil Service Commission to waive the recovery of certain payments when recovery would otherwise be contrary to equity and good conscience.

Estimated Costs

The Civil Service Commission estimates that the Government contribution under Section 1 of H.R. 16968, assuming a 12 percent increase in premium charges in January 1971, would be increased by $314.3 million for the calendar (or contract) year 1971, or by approximately $157 million for the last 6 months of Fiscal Year 1971.

Extending life and health insurance coverage to Panamanian employees of the Panama Canal Company, the Canal Zone Government, and other Federal agencies would entail estimated annual costs of approximately $1 to $2 million, most of which would be covered by the net operating revenues of Canal facilities.

The cost of extending coverage to the survivors of short-service deceased employees and allowing a direct Government contribution to a comparatively few elderly annuitants, while indeterminate, is relatively negligible.

Agency Reports

The initial and supplemental reports of the United States Civil Service Commission and the Bureau of the Budget on H.R. 767 and related bills, and the reports of those agencies, the Canal Zone Government, and the Department of State on H.R. 9136, bills which have been superseded by the reported bill, are set forth below.

U.S. Civil Service Commission,
Washington, D.C., April 28, 1969.

Hon. Thaddeus J. Dulski,
Chairman, Committee on Post Office and Civil Service,
House of Representatives

Dear Mr. Chairman: This refers to your request for Commission report on H.R. 767, a bill "To amend chapter 89 of title 5, United States Code, relating to enrollment charges for Federal employees'

health benefits." This report applies also to similar bills, including H.R. 503, which would provide for Government paying the entire cost of health benefits under the Federal Employees Health Benefits law.

H.R. 767 would amend the health benefits law to provide that the Government eventually pay the total premium for all employees and annuitants enrolled in the various plans and options authorized under the law (including the one percent set-aside for administrative expenses, and the three percent set-aside for the contingency reserve). The bill proposes that the Government contribution to premiums be initially increased to 50 percent in July, 1969; to 75 percent in July, 1970; and finally to 100 percent in July, 1971. Employees on approved leave without pay to serve as full time officers or employees of an employee organization who elect to continue their enrollments would continue to pay the full cost of such enrollments.

When originally enacted in 1959, the health benefits law provided for a Government contribution which would be set by the Civil Service Commission within a specified range at not more than 50 percent of the least expensive low option offered by the two Government-wide plans. The Government contribution was thus geared to paying one-half the premium for a package of benefits which, while moderate in cost, would be adequate for the needs of most employees; if an employee wanted more protection through the richer high-option benefits, he had to pay the additional costs. The initial distribution of enrollments between self-only and family coverage, between high and low options, and among the various plans resulted in the Government's contributing approximately 38 percent of the total premium for all enrollments, with employees and annuitants contributing the remainder.

As time went on, this 38 percent Government share of the total premium gradually diminished for two main reasons: (1) employees gravitated toward the more expensive high options; and, (2) high-option premiums increased because the cost of medical care increased, because needed improvements in benefits were made, and because of the relatively high morbidity experience of persons who selected high options. In contrast, experience of the low options was very good because there was a strong tendency for healthy employees with healthy families to choose this less expensive coverage. Low-option premium rates therefore remained stable and the Government contribution, which was geared to these rates, could not be increased to reflect the increasing cost of medical care.

By 1966, the Government's share of the cost of health benefits was down from 38 percent to less than 30 percent of the total premium. Public Law 89–504, approved July 18, 1966, eliminated the tie-in of the Government contribution to the low-option premium and increased the amount of this biweekly contribution from $1.30 to $1.68 for a self-only enrollment, and from $3.12 to $4.10 for a family enrollment. This had the effect of restoring the Government contribution to its initial 1960 level of 38 percent of total premium. Premium increases (primarily for high options) in January 1967, 1968 and 1969 have again diminished the Government contribution to approximately 27 percent of total premium. Stated in terms of dollars, the Government will contribute $229 million during calendar year 1969 and employees will contribute $610 million.

The Commission regards payment of total premium by the Government as economically unsound because of the multiplicity of plans which participate in the Federal employee program. There are 36 plans offering 54 options. Total biweekly premiums for a family enrollment range from $6.88 to $20.71, and for a self-only enrollment from $2.68 to $8.65. The level of benefits provided by each plan and option is commensurate with the premium. All employees have a choice of at least seven plans; some, depending on where they are located, as many as ten. This free choice feature of the program stimulates the keenest kind of competition among the plans to provide the best benefits for the least amount of premiums. It also provides a strong incentive for plans to keep their administrative expenses, which are charged against premiums, at a minimum. Equally important, it gives the employee an opportunity to select the level of benefits and premium expenditure he considers best suited to his own particular needs.

If the Government were to pay the total premium, employees would naturally choose the more expensive plans and options that provided the richest benefits. The only way plans could compete would be in the amount and kind of benefits they provided. Every plan would increase benefits until ultimately every plan would be covering 100 percent of all medical expenses and exploring possibilities of expanding coverage to include other types of related expenses (for example, $100 a week while confined in a hospital or payment for a housekeeper after maternity). Insurance carriers would have little or no incentive for efficient or economical operation of their plans. The only way the cost to the Government could be controlled would be to have only one plan and prescribe by law precisely what benefits it would provide, as was done with Medicare for the Aged under Social Security.

During recent years, costs of hospital and other medical care have been rising considerably faster than the price of other consumer goods and services and from all indications they will continue to do so. Plans under the program now have built-in features that help control these costs because the carriers realize that they must keep their premiums as low as possible to compete with other plans. Many plans pay benefits on a reasonable and customary charge or a fee schedule basis, which tends to keep charges of purveyors of medical services down. The fact that the employee himself may have to assume some of the cost through deductibles and coinsurance deters over-utilization of medical care. All plans exclude from benefits certain highly elective treatment or supplies (e.g. cosmetic surgery, nonprescription drugs) which helps keep their benefit costs and, consequently, their premiums down.

Now being explored are other methods, such as insurance coverage of convalescent hospitals, of slowing the increase in hospital and medical costs. Elimination of all inducement for insurance carriers to keep their premiums competitive by having the Government pay the full premium would negate these attempts to control costs, as well as existing controls, and materially accelerate the increases in medical care costs.

On the basis of present enrollment figures and premiums, the additional cost to Government if H.R. 767 is enacted would be $207 million in fiscal year 1970, $408 million in fiscal year 1971, and $610 million in fiscal year 1972, the first twelve months for which Government pays

the full premium. If enacted, that cost will increase substantially as employees and annuitants, because it costs them nothing, change to more expensive options, as plans compete to provide richer benefits, as controls against high charges and over-utilization disappear, and as medical costs rise.

H.R. 767 would require the Government to assume (in 1971) the full payment of employees' contributions without reference or orientation to other fringe benefits and salary. The Government will shortly achieve salary comparability with private industry. The fringe benefits expenditures by Government and industry are already roughly comparable.

Assumption by the Government of the total cost of health insurance, as proposed by H.R. 767, would distort the existing comparability of total compensation. Such action would also be excessively costly and inconsistent with the Administration's efforts to reduce public expenditures.

For the reasons indicated above, the Commission objects to the enactment of H.R. 767 and similar bills.

The Commission appreciates that the sharply rising costs of medical care and consequently of that portion of health benefit premiums not paid by the Government has resulted in less take-home pay for employees and annuitants. If the Congress believes that relief in this respect should be granted, enactment of a bill which would reestablish the Government's share of the total premium at 38 percent would restore the situation initially prevailing. This would require amendment of section 8906(a) of title 5, U.S.C., to set maximum biweekly Government contributions of $2.31 and $5.66 for self-only and self and family enrollments, respectively. Total Government contributions at these levels (plus the 4 percent set-aside for administrative expenses and contingency reserve) would approximate $315 million, compared with $229 million at the current rate, an increase of about $86 million annually. Since all health benefit contracts are on a calendar year basis, such a change would more appropriately be made on a calendar year basis, effective next January, than on a fiscal year basis.

If further consideration is given the bill, there are technical changes that should be made in the bill. The Commission will be happy to provide technical assistance in this regard at your request.

The Commission believes that restoration of the Government's contribution to its original 38 percent is justifiable, and would not object to legislation which would accomplish this. However, the Commission recognizes that budgetary and fiscal considerations must be taken into account, and the Bureau of the Budget advises that the cost of the restoration at this time would be inconsistent with the Administration's efforts to reduce expenditures.

The Bureau of the Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

ROBERT E. HAMPTON, *Chairman.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 6, 1969.

HON. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to the Committee's request for the views of the Bureau of the Budget on H.R. 503 and H.R. 767, both bills concerned with premium charges under the Federal employees' health benefits program.

H.R. 503 and H.R. 767 would require the Government to pay the entire cost of premiums for employee health insurance benefits. H.R. 503 provides that the Government assume the total cost immediately, in the first pay period beginning 30 days after its enactment. H.R. 767 provides a three-stage increase in the Government's contributions, with an initial increase to 50 percent in July 1969, to 75 percent in July 1970, and to 100 percent in July 1971. The additional cost to the Government of H.R. 767 and H.R. 503 would approximate $610 million in the first full fiscal year of the 100 percent Government contribution.

The Bureau of the Budget does not believe that the Federal Government should assume the entire cost of premiums for employee health insurance benefits. One of the main reasons is that 100 percent Federal payment of premiums would greatly weaken or remove any incentives for either the insurance carriers or employees to hold down costs. Under such an arrangement, carriers would be competing in terms of benefit levels and coverage comprehensiveness. Moreover, if the Government were to assume the entire costs of premiums, employees would tend to select the most comprehensive and generous plans, thereby increasing further the premium costs that the Government would have to pay. Finally, proposals along the lines of those contained in H.R. 767 and H.R. 503 might remove the deterrent to over-utilization by Federal employees of the existing limited medical care facilities and personnel.

Additional liberalizations in Federal employee health benefits should also be considered as part of overall Federal expenditures for employee fringe benefits. In this context, the Bureau of the Budget should point out that with the achievement of the proposed full financing of the Civil Service retirement fund, Federal expenditures for fringe benefits (as a percentage of payroll) will substantially exceed those in private industry.

The Bureau of the Budget would like to emphasize the urgent need, expressed by the President, to bring the present inflationary surge to a halt. To help accomplish this objective, he has recommended reductions in the budget to bring the acceleration of Federal spending under control. In this economic and budgetary setting, all proposed Federal expenditures must be judged against particularly stringent standards of priority and merit.

In the ranking of urgent national needs, the Bureau of the Budget does not believe that any liberalizations in the Government's contribution to Federal employee health insurance premiums are warranted at this time. Accordingly, the Bureau recommends against

favorable consideration of H.R. 767 and H.R. 503, enactment of which would not be consistent with the Administration's objectives.

Sincerely yours,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., March 17, 1970.

Hon. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service,
House of Representatives

DEAR MR. CHAIRMAN: This report on H.R. 767, a bill "To amend chapter 89 of title 5, United States Code, relating to enrollment charges for Federal employees' health benefits", is in response to your request of February 4, 1970 for our current views on this bill. This report applies also to numerous other identical or similar bills which, if enacted, would increase the Government's contribution (ranging from 50% to 100% of enrollment charges) for Federal employees health benefits.

One of the bills, H.R. 10593, differs markedly from the others in that it would fix the Government's contribution at an amount equal to the entire cost of a certain specified minimum set of health benefits which all plans and options would provide. Presumably, the cost of the specified benefits and the Government's contribution would be redetermined from time to time, perhaps annually, but the bill is not clear on this point.

The minimum health benefits specified in the bill are:

(1) Up to 180 days of hospitalization for each confinement;

(2) Surgical benefits as outlined in a set schedule of fees with a maximum of $500 for any one confinement.

(3) Reimbursement for medical visits at $10 per hospital visit, $8 per home visit, and $6 per office visit;

(4) Diagnostic services as provided in a set schedule of fees;

(5) First-aid treatment in full within 72 hours after an accident;

(6) Regular hospital benefits for maternity plus up to $200 for doctor's charges;

(7) Nursing care up to $20 per eight-hour shift for up to 180 days a calendar year;

(8) Mental and nervous disorders for up to 30 days per calendar year;

(9) Alcoholism and drug addiction for up to 30 days per calendar year; and

(10) Dental and cosmetic surgery only when necessary for prompt repair of injury caused by an accident.

This minimum set of benefits is so drawn as to make it extremely difficult to ascertain with precision what it would cost. For example, the term "confinement" in item (1) is not defined, the "set schedule of fees" in items (2) and (4) is not specified, and there is no indication as to whether the 30-day limitations in items (8) and (9) apply to hospital benefits only or to all benefits. Also the precise cost of this (or any other) set of benefits, which would have to be ascertained in

order to fix the amount of the Government's contribution, depends on numerous variable factors, including, but not limited to, the age, sex, geographic distribution, and average family size of enrollees in a particular plan and the operating expenses of a particular carrier. Therefore, the cost of the same set of benefits would differ from one plan to another.

We asked the carriers of the two Government-wide plans to price the minimum set of benefits specified in H.R. 10593 and we did so ourselves. The best cost estimates, arrived at independently of one another, for these benefits, including the 4 percent set-aside for reserves provided for by 5 U.S.C. 8909(b), are:

	Biweekly cost	
	Self-only	Family
Civil Service Commission	$6.58	$20.13
Carrier A	6.93	20.31
Carrier B	8.23	20.92

We make two observations about these figures:

First—The $8.23 is only $.13 less than the total current cost of a self-only enrollment in the most expensive option offered by the Government-wide plans, which is $8.36; the $20.92 is $.18 more than the total current cost of a self and family enrollment in the most expensive option offered by the Government-wide plans, which is $20.74. Government contributions on the order of magnitude shown in the above table would exceed the total current cost of many other less expensive plans and options, as it does (by $.18) for the self and family enrollment just cited.

Second—Government contributions on the order of magnitude shown in the above table are substantially greater than the current biweekly Government contributions of $1.68 and $4.10 toward a self-only and self and family enrollment, respectively. The annual cost to the Government under H.R. 10593 would skyrocket from the current $231.6 million to well over $1 billion.

For the reasons indicated, the Commission concludes that gearing the Government's contribution to the cost of a specified set of minimum benefits is impracticable and that the expense to the Government of a contribution so determined, based on the benefits specified in H.R. 10593, is prohibitive.

H.R. 767 would amend the health benefits law to provide that the Government eventually pay the total premium for all employees and annuitants enrolled in the various plans and options authorized under the law (including the one percent set-aside for administrative expenses, and the three percent set-aside for the contingency reserve). The bill proposes that the Government contribution to premiums be initially increased to 50 percent in July, 1969; to 75 percent in July, 1970; and finally to 100 percent in July, 1971. Employees on approved leave without pay to serve as full time officers or employees of an employee organization who elect to continue their enrollments would continue to pay the full cost of such enrollments. To update the bill, the years 1969, 1970 and 1971 should be changed to 1970, 1971 and 1972, respectively.

When originally enacted in 1959, the health benefits law provided for a Government contribution which would be set by the Civil Service Commission within a specified range at not more than 50 percent of the least expensive low option offered by the two Government-wide plans. The Government contribution was thus geared to paying one-half the premium for a package of benefits which, while moderate in cost, would be adequate for the needs of most employees; if an employee wanted more protection through the richer high-option benefits, he had to pay the additional cost. The initial distribution of enrollments between self-only and family coverage, between high and low options, and among the various plans resulted in the Government's contributing approximately 38 percent of the total premium for all enrollments, with employees and annuitants contributing the remainder.

As time went on this 38 percent Government share of the total premium gradually diminished for two main reasons: (1) employees gravitated toward the more expensive high options; and, (2) high-option premiums increased because the cost of medical care increased, because needed improvements in benefits were made, and because of the relatively high morbidity experience of persons who selected high options. In contrast, experience of the low options was very good because there was a strong tendency for healthy employees with families to choose this less expensive coverage. Low-option premium rates therefore remained stable and the Government contribution, which was geared to these rates, could not be increased to reflect the increasing cost of medical care.

By 1966, the Government's share of the cost of health benefits was down from 38 percent to less than 30 percent of the total premium. Public Law 89–504, approved July 18, 1966, eliminated the tie-in of the Government contribution to the low option premium and increased the amount of this biweekly contribution from $1.30 to $1.68 for a self-only enrollment, and from $3.12 to $4.10 for a family enrollment. This had the effect of restoring the Government contribution to its initial 1960 level of 38 percent of total premium. Premium increases primarily for high options in January 1967, 1968, 1969 and 1970 have again diminished the Government contribution to approximately 24 percent of total premium. Stated in terms of dollars, the Government will contribute $231.6 million during calendar year 1970 and employees will contribute $726.4 million.

The commission regards payment of total premium by the Government as economically unsound because of the multiplicity of plans which participate in the Federal employee program. There are 38 plans offering 54 options. Total biweekly premiums for a family enrollment range from $7.48 to $24.85, and for a self-only enrollment from $3.08 to $9.74. The level of benefits provided by each plan and option is commensurate with the premium. All employees have a choice of at least seven plans; some, depending on where they are located, as many as ten. This free choice feature of the program stimulates the keenest kind of competition among the plans to provide the best benefits for the least amount of premiums. It also provides a strong incentive for plans to keep their administrative expenses, which

are charged against premiums, at a minimum. Equally important, it gives the employee an opportunity to select the level of benefits and premium expenditure he considers best suited to his own particular needs.

If the Government were to pay the total premium, employees would naturally choose the more expensive plans and options that provided the richest benefits. The only way plans could compete would be in the amount and kind of benefits they provided. Every plan would increase benefits until ultimately every plan would be covering 100 percent of all medical expenses and exploring possibilities of expanding coverage to include other types of related expenses (for example, $100 a week while confined in a hospital or payment for a housekeeper after maternity). Insurance carriers would have little or no incentive for efficient or economical operation of their plans. The only way the cost to the Government could be controlled would be to have only one plan and prescribe by law precisely what benefits it would provide, as was done with Medicare for the Aged under Social Security.

During recent years, costs of hospital and other medical care have been rising considerably faster than the prices of other consumer goods and services and from all indications they will continue to do so. Plans under the program now have built-in features that help control these costs because the carriers realize that they must keep their premiums as low as possible to compete with other plans. Many plans pay benefits on a reasonable and customary charge or a fee schedule basis, which tends to keep charges of purveyors of medical services down. The fact that the employee himself may have to assume some of the cost through deductibles and coinsurance deters over-utilization of medical care. All plans exclude from benefits certain highly elective treatment or supplies (e.g. cosmetic surgery, non-prescription drugs) which helps keep their benefit costs and, consequently, their premiums down.

Now being explored are other methods, such as insurance coverage of convalescent hospitals, of slowing the increase in hospital and medical costs. Elimination of all inducement for insurance carriers to keep their premiums competitive by having the Government pay the full premium would negate these attempts to control costs, as well as existing controls, and materially accelerate the increases in medical care costs.

On the basis of present enrollment figures and premiums, the additional cost to Government if H.R. 767 is enacted would be $266.6 million in fiscal year 1971, $496.5 million in fiscal year 1972, and $726.4 million in fiscal year 1973, the first twelve months for which Government pays the full premium. If enacted, that cost will increase substantially as employees and annuitants, because it costs them nothing, change to more expensive options, as plans compete to provide richer benefits, as controls against high charges and over-utilization disappear, and as medical costs rise.

H.R. 767 would require the Government to assume (in 1972) the full payment of employees' contributions without reference or orientation to other fringe benefits and salary. The fringe benefits expenditures by Government and industry are already roughly comparable, and

the Government is committed to a policy of achieving full salary comparability with private industry.

Assumption by the Government of the total cost of health insurance, as proposed by H.R. 767 and similar bills, would distort the existing comparability of total compensation. Such action would also be excessively costly and inconsistent with the Administration's efforts to reduce public expenditures.

For the reasons indicated above, the Commission strongly objects to the enactment of H.R. 767 and similar bills.

The Commission appreciates that the sharply rising costs of medical care and consequently of that portion of health benefit premiums not paid by the Government has resulted in less take-home pay for employees and annuitants. If the Committee agrees that relief in this respect should be granted, the Commission would like to offer for your consideration an alternative automatic adjustment plan which we believe would provide substantial relief and would maintain the integrity of the program. Essentially, our plan proposes annual automatic adjustments, beginning the first pay period in January 1971, to fix the Government contribution at 38% of the unweighted average high-option subscription charge of the two Government-wide plans (Blue Cross/Blue Shield and Aetna), the two largest employee-organization plans (National Association of Letter Carriers and United Federation of Postal Clerks), and the two largest of the group-practice or individual-practice plans (Kaiser Health Plan of Northern California and Kaiser Health Plan of Southern California), with the maximum contribution not to exceed 50% of premium. Collectively, the high and low options of these six plans cover about 90% of all participating employees.

The effective date of January 1971 would be in keeping with the President's objective "to control and contain the inflationary spiral," as reflected in his recommendation of a January 1971 effective date for Federal employee pay raises. It is also consistent with the calendar year basis on which our contracts with health-plan carriers are negotiated.

To illustrate, at present premium rates, this proposed adjustment plan would produce a biweekly Government contribution, beginning January 1971, for self only of $2.72 ($2.62 plus 4% overlay), as compared to $1.68; the biweekly Government contribution for self and family would be $6.96 ($6.69 plus 4% overlay), as compared to $4.10. Also, at present premium rates, adoption of this proposal would increase Government costs by $137.7 million for the first full year. Beginning next January, though, premiums will probably be increased, the average for the six plans would be recomputed, and the Government's contribution would be adjusted to 38 percent of the new average, which would increase Government costs above the $137.7 million. If we assume a 12% increase in health benefit premiums in January, 1971, enactment of our proposal would increase the Government's contribution for the fiscal year 1971 by about $91 million.

For nearly all employees this proposal would decrease their health insurance contribution and increase their take-home pay. The use of the cited six plans as a basis of determining Government contribution provides a base which promises to be representative of trends in health

insurance costs and, in addition, provides a substantial Government contribution which we believe is justifiable.

The Commission has drafted legislation to effect the above proposal.

The Bureau of the Budget advises that if the proposed legislation is amended as suggested its enactment would be consistent with the objectives of the Administration.

By direction of the Commission:

Sincerely yours,

ROBERT E. HAMPTON, *Chairman.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 18, 1970.

Hon. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to the Committee's request for a supplemental report on H.R. 767, "To amend chapter 89 of title 5, United States Code, relating to enrollment charges for Federal employees' health benefits."

The Civil Service Commission is submitting legislation which would provide, effective January 1, 1971, and thereafter in January of each year, for an automatic adjustment plan to fix the Government's contribution at 38% of the unweighted average high-option subscription charge of the six plans that collectively cover about 90% of all participating employees.

The Bureau of the Budget cannot support the provisions of H.R. 767, but recommends enactment of the Civil Service Commission's proposal.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 8, 1970.

Hon. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to the Committee's request for the views of the Bureau of the Budget on H.R. 9136, a bill "To extend Federal group life and health insurance benefits to Federal employees in the Canal Zone who are not citizens of the United States, and for other purposes."

The Departments of State and the Army have informed us that they favor enactment of H.R. 9136. The Bureau of the Budget concurs in the views expressed in the report the Civil Service Commission is

submitting on H.R. 9136 and, accordingly, would not object to its enactment if it is amended as suggested by the Commission.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 9, 1970.

HON. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service, House of Representatives

DEAR MR. CHAIRMAN: This is in further reply to your request for the Commission's views on H.R. 9136, a bill "To extend Federal group life and health insurance benefits to Federal employees in the Canal Zone who are not citizens of the United States, and for other purposes."

Chapters 87 (relating to life insurance) and 89 (relating to health benefits) of title 5, United States Code both specifically exclude from coverage a non-citizen employee whose permanent duty station is located outside a State of the United States or the District of Columbia. The Retired Federal Employees Health Benefits Act of 1960 (74 Stat. 849; Public Law 86–724) has a parallel exclusion for non-citizen annuitants. The governing laws thus reflect a United States Government policy of not extending the coverages of these benefit programs to those of its employees, active or retired, who are foreign nationals and whose service is performed in permanent duty stations located outside the States or the District of Columbia.

H.R. 9136 would, if enacted, prospectively extend coverage under the life insurance and health benefits laws to non-U.S. citizen employees whose permanent duty stations are in the Canal Zone. Also, it is the intent of the bill to prospectively extend coverage under the health benefits laws to non-U.S. citizen retirees (and/or their survivors) whose permanent duty stations were in the Canal Zone.

The Civil Service Commission, because it has responsibility for administration of these laws, also is responsible for ensuring, insofar as it can do so, equity of treatment among various groups of Federal employees. For this reason, it is not in the best position to justify legislation which would affect only one particular group of non-United States citizen employees. If, though, the Secretary of the Army and the Secretary of State currently agree that an exception to the general bar to coverage under life insurance and health benefits laws is warranted for this particular non-citizen group, the Commission will support the legislative proposal.

If further consideration is given the proposal, we have several suggestions to offer as noted below.

Section 1 should be amended to read: "Section 8701(a)(B) of title 5, United States Code, is amended by striking 'the United States' and substituting 'both the United States and the Canal Zone'." This conforms to the style of title 5, and avoids the awkwardness of having an apparently straightforward provision in subsection (a) modified by a

subsection (c). A similar amendment to section 8901(1)(ii) should be substituted for section 2.

By omission the bill permits an apparently unintentional gap in coverage which would, if the bill is enacted as is, call for further legislation. Under existing law, as amended by the bill, Canal Zone employees who retire after becoming enrolled under chapter 89 of title 5, would, if otherwise eligible, carry health benefits coverage into retirement. Those who retired before July 1, 1960, would be eligible for coverage under the Retired Federal Employees Health Benefits Act of 1960. Those who have retired in the (approximately) nine-year interim would be eligible for neither. To correct this deficiency, a new section 4 should be added to the bill as follows:

> Section 4. A non-citizen former employee (or his survivors) whose permanent duty station was in the Canal Zone, who would have been eligible for benefits under chapter 89 of title 5, United States Code and would continue to be eligible for such benefits after retirement (or death), may enroll for health benefits in accordance with section 8905 of title 5, United States Code, under such conditions as may be prescribed by the United States Civil Service Commission.

Section 4, as presently included in the bill, is undesirable in several respects. First, it says the Commission "shall prescribe . . . special regulations" for the enrollment and coverage of these employees. Since existing regulations already provide for this, the section requires the Commission to perform a useless ceremonial act. Second, because the bill consists entirely of amendments to laws under which the Commission is already authorized to regulate, no further authority is necessary or desirable. Third, the one-year period of exposure to the risk is unnecessary and provides an undesirable element of adverse selection not contemplated by our contracts with carriers and not compensated for by the established insurance rates. In addition, it poses the danger of dispute over the life insurance coverage of employees dying within a year after the effective date of the law. To correct these deficiencies we suggest substituting the following new section 5 for section 4:

> Section 5. (a) Section 1 of this Act is effective as to each employee to whom coverage is thereby extended on the first day on the first pay period beginning not less than 30 days after enactment.
>
> (b) Section 2 of this Act is effective as to each employee made eligible for enrollment thereby on the first day of the first pay period beginning not less than 30 days after enactment.
>
> (c) Section 3 of the Act is effective as to each person made eligible for enrollment thereby on the first day of the annuity period beginning not less than 60 days after enactment.
>
> (d) Section 4 of this Act is effective as to each person made eligible for enrollment thereby 30 days after date of enactment, but no person may enroll later than 120 days days after enactment.

The suggested changes would set the dates on which enrollments could begin. The effective dates of enrollments, withholdings and

contributions as well as of time limits for enrolling, would be governed by existing regulations. Because the Federal Employees Health Benefits Regulations do not contemplate enrollment of annuitants, they do not set any time limit for their enrollment. We consider a time limit on enrollments by annuitants necessary to prevent adverse selection and are therefore suggesting 120 days after date of enactment for this purpose.

The Bureau of the Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

J. E. JOHNSON,
Acting Chairman.

CANAL ZONE GOVERNMENT,
Washington, D.C., April 8, 1970.

Hon. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service,
House of Representatives,
Washington, D.C.

DEAR MR. Chairman: This letter is in response to your request for a report on H.R. 9136, a bill "to extend Federal group life and health insurance benefits to Federal employees in the Canal Zone who are not citizens of the United States, and for other purposes."

H.R. 9136 introduced by Congressman Nix on March 18, 1969, is identical to H.R. 9751 introduced by Congressman Mollohan on April 1, 1969, to H.R. 9757 introduced by Congressman Olsen on April 1, 1969, and to H.R. 9924 introduced by Congressman Eckhardt on April 3, 1969. The bill would amend 5 U.S.C. §§ 8701 and 8901 and P.L. 86–724 (74 Stat. 849) to extend life and health insurance benefits to non-citizen Federal employees with a permanent duty station in the Canal Zone and health insurance benefits to retired non-citizen Federal employees who had a permanent duty station in the Canal Zone. The bill provides that persons falling within the purview of the above amendments on the date of enactment shall, in accordance with regulations that the Civil Service Commission shall prescribe and not later than one year after enactment, make an election to take such other action with respect to life or health benefits coverage and enrollment as may be required by law.

For several years the Panama Canal Company and the Canal Zone Government have been concerned over the exclusion of non-citizen employees of United States Government agencies in the Canal Zone from the Federal group life and health insurance programs available to U.S. citizen employees. For purposes of Chapter 87 (Life Insurance) and Chapter 89 (Health Insurance) of Title 5 United States Code, and the Retired Federal Employees Health Benefits Act of 1960, 74 Stat. 849, an employee or retired employee does not include a non-citizen employee whose permanent duty station is or was located outside the United States. Consequently, these employees and retired employees are denied the benefits of Government contributions to their insurance programs.

We believe that the need for legislation to eliminate this exclusion with respect to non-citizen employees in the Canal Zone is urgent in view of the fact that the United States has made a specific commitment to seek such legislation. Talks held in Washington in June 1962 between President Kennedy and President Chiari of Panama resulted in a joint co nmunique announcing the appointment of representatives of both governments to discuss points of dissatisfaction regarding certain aspects of the treaties between the United States and Panama. (See Department of State Bulletin, Vol. XLVII, No. 1202, pp. 81–82, July 9, 1962.) At the conclusion of the ensuing discussions, a joint Communique was issued by the two governments on July 23, 1963. (See Department of State Bulletin, Vol. XLIX, No. 1259, p. 246, August 12, 1963.) Item 2 of this document states as follows:

> 2. The United States Government has prepared a draft bill for presentation to the Congress of the United States which would make available to Panamanian employees of the United States Government in the Canal Zone the same governmental health and life insurance benefits as are available to the United States citizen employees.

Predating this specific commitment is a more general commitment contained in a 1936 treaty note that the United States "will favor . . . enactment . . . of such provisions . . . as will assure Panamanian citizens employed by the Canal or Railroad equality of treatment with employees who are citizens of the United States of America." (53 Stat. 1807, 1856)

The text of both the Joint Communique and the 1936 treaty note is directed only to Panamanian citizens and the language of the treaty note applies only to Panamanian employees of the Canal Zone Government and the Panama Canal Company (formerly The Panama Canal and the Panama Railroad Company, respectively). Nevertheless, as a matter of policy, it is believed that the commitments should be fulfilled in a manner to include all non-citizen employees of any agency of the United States Government in the Canal Zone.

At the present time, non-citizen employees of the Canal Zone agencies participate in voluntary private group health and life insurance programs which are maintained without government contribution. Payment of part of the premiums by the U.S. Government, as would be authorized if the proposed legislation were enacted, would inure to the benefit of the United States by improving employee morale and by improving relations between the United States and Panama through elimination of an apparent source of discrimination between U.S. citizen employees and employees who are citizens of Panama.

Attached is a statement setting forth an estimate of the expenditures which would be necessary to carry out the proposed legislation for each of the first five fiscal years.

The Bureau of the Budget has advised that it has no objection to the presentation of this report.

Sincerely yours,

W. M. Whitman,
Assistant to the Governor.

Enclosure: Estimate of cost.

ESTIMATED COST OF PROPOSED EXTENSION OF HEALTH AND LIFE INSURANCE BENEFITS FOR NON-U.S. CITIZEN EMPLOYEES AND HEALTH BENEFITS COVERAGE TO RETIRED NON-U.S. CITIZEN EMPLOYEES OF CANAL ZONE AGENCIES

[Estimated premium expense, rounded to the nearest 500th's]

Agency	Fiscal year—				
	1970 (final 6 months)	1971	1972	1973	1974
(a) Federal Employees' Group Life Insurance, 5 U.S.C. 8701 et seq.:					
Canal Zone Government	$13,500	$28,500	$30,000	$31,000	$31,500
Panama Canal Company	67,000	140,500	143,500	147,500	153,500
Total Company/Government	80,500	169,000	173,500	178,500	185,000
Military agencies	28,750	59,500	61,500	63,000	65,000
Total U.S. Government	109,250	228,500	235,000	241,500	250,000
(b) Federal Employees' Health Benefits 5 U.S.C. 8901 et seq.:					
Canal Zone Government	64,000	131,500	132,000	132,000	132,000
Panama Canal Company	404,250	816,500	818,000	814,500	817,500
Injury Compensation	2,000	4,000	4,000	4,000	4,000
Total Company/Government	470,250	952,000	954,000	950,500	953,500
Military agencies	160,750	321,500	321,500	321,500	321,500
Civil Service Commission	96,000	195,000	198,000	201,000	230,500
Total U.S. Government	727,000	1,468,500	1,473,500	1,743,000	1,478,500
(c) The Retired Federal Employees' Health Benefits Acts, Public Law 86-724, 74 Stat. 849:					
Canal Zone Government	7,000	13,000	12,000	11,000	10,000
Panama Canal Company	80,250	148,000	136,000	125,000	115,000
Injury compensation	4,000	7,000	6,500	5,500	5,500
Total Company/Government	91,250	168,000	154,500	141,500	130,500
Civil Service Commission	15,500	28,000	25,000	22,500	20,000
Total U.S. Government	106,750	196,000	179,500	164,000	150,500

DEPARTMENT OF STATE,
Washington, D.C., April 15, 1970.

Hon. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of March 26, 1970 requesting a report on the Department of State's views on H.R. 9136, a bill "to extend Federal group life and health insurance benefits to Federal employees in the Canal Zone who are not citizens of the United States, and for other purposes".

This bill would amend 5 U.S.C. 8701 and 8901 and P.L. 88-724 (74 Stat. 849) to extend life and health insurance benefits to non-citizen Federal employees with a permanent duty station in the Canal Zone and health insurance benefits to retired non-citizen Federal employees who had a permanent duty station in the Canal Zone.

The Department of State favors the enactment of H.R. 9136. Particularly, we emphasize that provisions of this bill are in accord with long standing commitments of the United States Government to favor enactment of such provisions as will assure Panamanian citizens employed by the Canal equality of treatment with employees who are United States citizens. The existence of this unfulfilled commitment continues to influence our relations with the Government

of Panama and was the subject of a recent exchange of notes between our two governments.

The Bureau of the Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely yours,

H. G. Torbert, Jr.,
Acting Assistant Secretary
for Congressional Relations.

Changes in Existing Law Made by the Bill, As Reported

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Title 5, United States Code

* * * * * * *

CHAPTER 87—LIFE INSURANCE

* * * * * * *

§ 8701. Definition

(a) For the purpose of this chapter, "employee" means—

(1) an employee as defined by section 2105 of this title;

(2) a Member of Congress as defined by section 2106 of this title;

(3) a Congressional employee as defined by section 2107 of this title;

(4) the President;

(5) an individual employed by the government of the District of Columbia;

(6) an individual employed by Gallaudet College;

(7) a United States Commissioner to whom subchapter III of chapter 83 of this title applies by operation of section 8331(1)(E) of this title;

(8) an individual employed by a county committee established under section 590h(b) of title 16; and

(9) an individual appointed to a position on the office staff of a former President under section 1(b) of the Act of August 25, 1958 (72 Stat. 838);

but does not include—

(A) an employee of a corporation supervised by the Farm Credit Administration if private interests elect or appoint a member of the board of directors;

(B) a noncitizen employee whose permanent duty station is outside the United States *and the Panama Canal Zone;* or

(C) an employee excluded by regulation of the Civil Service Commission under section 8716(b) of this title.

(b) Notwithstanding subsection (a) of this section, the employment of a teacher in the recess period between two school years in a position other than a teaching position in which he served immediately before the recess period does not qualify the individual as an employee for the purpose of this chapter. For the purpose of this subsection, "teacher" and "teaching position" have the meanings given them by section 901 of title 20.

* * * * * * *

CHAPTER 89—HEALTH INSURANCE

* * * * * * *

§ 8901. Definitions

For the purpose of this chapter—

(1) "employee" means—

(A) an employee as defined by section 2105 of this title;

(B) a Member of Congress as defined by section 2106 of this title;

(C) a Congressional employee as defined by section 2107 of this title;

(D) the President;

(E) an individual employed by the government of the District of Columbia;

(F) an individual employed by Gallaudet College;

(G) a United States Commissioner to whom subchapter III of chapter 83 of this title applies by operation of section 8331(1)(E) of this title; and

(H) an individual employed by a county committee established under section 590h(b) of title 16;

but does not include—

(i) an employee of a corporation supervised by the Farm Credit Administration if private interests elect or appoint a member of the board of directors;

(ii) a noncitizen employee whose permanent duty station is outside the United States *and the Panama Canal Zone*;

(iii) an employee of the Tennessee Valley Authority; or

(iv) an employee excluded by regulation of the Civil Service Commission under section 8913(b) of this title;

(2) "Government" means the Government of the United States and the government of the District of Columbia;

(3) "annuitant" means—

(A) an employee who retires on an immediate annuity under subchapter III of chapter 83 of this title or another retirement system for employees of the Government, after 12 or more years of service or for disability;

(B) a member of a family who receives an immediate annuity as the survivor *of an employee or* of a retired employee described by subparagraph (A) of this paragraph [or of an employee who dies after completing 5 or more years of service];

(C) an employee who receives monthly compensation under subchapter I of chapter 81 of this title and who is

determined by the Secretary of Labor to be unable to return to duty; and

(D) a member of a family who receives monthly compensation under subchapter I of chapter 81 of this title as the surviving beneficiary of—

(i) an employee who [, having completed 5 or more years of service] dies as a result of injury or illness compensable under that subchapter; or

(ii) a former employee who is separated after having completed 5 or more years of service and who dies while receiving monthly compensation under that subchapter and who has been held by the Secretary to have been unable to return to duty;

(4) "service", as used by paragraph (3) of this section, means service which is creditable under subchapter III of chapter 83 of this title;

(5) "member of family" means the spouse of an employee or annuitant and an unmarried child under 22 years of age, including—

(A) an adopted child; and

(B) a stepchild, foster child, or recognized natural child who lives with the employee or annuitant in a regular parent-child relationship;

or such an unmarried child regardless of age who is incapable of self-support because of mental or physical disability which existed before age 22;

(6) "health benefits plan" means a group insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar group arrangement provided by a carrier for the purpose of providing, paying for, or reimbursing expenses for health services;

(7) "carrier" means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of, health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the carrier, including a health benefits plan duly sponsored or underwritten by an employee organization; and

(8) "employee organization" means an association or other organization of employees which is national in scope, or in which membership is open to all employees of a Government agency who are eligible to enroll in a health benefits plan under this chapter, and which, before January 1, 1964, applied to the Commission for approval of a plan provided under section 8903(3) of this title.

* * * * * * *

§ 8906. Contributions

[(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for an employee

or annuitant enrolled in a health benefits plan under this chapter, in addition to the contribution required by subsection (c) of this section, is $1.62 if the enrollment is for self alone or $3.94 if the enrollment is for self and family.]

(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted, beginning on the first day of the first pay period of each year, to an amount equal to 50 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

(1) the service benefit plan;

(2) the indemnity benefit plan;

(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.

(b) The Government contribution for an employee or annuitant enrolled in a plan for which the biweekly subscription charge is less than twice the Government contribution established under subsection (a) of this section, is 50 percent of the subscription charge.

* * * * * * *

RETIRED FEDERAL EMPLOYEES HEALTH BENEFITS ACT

* * * * * * *

DEFINITIONS

SEC. 2. As used in this Act—

(1) The terms "employee", "Government", "member of family", and "Commission" have the same meanings, when used in this Act as such terms have when used in the Federal Employees Health Benefits Act of 1959.

(2) "Health benefits plan" means an insurance policy or contract, medical or hospital service arrangement, membership or subscription contract, or similar agreement provided by a carrier for a stated periodic premium or subscription charge for the purpose of providing, paying for, or reimbursing expenses for hospital care, surgical or medical diagnosis, care, and treatment, drugs and medicines, remedial care, or other medical supplies and services, or any combination of these.

(3) "Retired employee" means any person who would be an annuitant as that term is defined in the Federal Employees Health Benefits Act of 1959 if the contribution and enrollment provisions of that Act had been in effect on the date the person became an annuitant, but does not include any person who was a noncitizen whose permanent-duty station was outside a State of the United States or the District of Columbia on the day before he became an annuitant.

(4) "Carrier" means a voluntary association, corporation, partnership, or other nongovernmental organization which lawfully offers a health benefits plan, *and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act.*

CONTRIBUTIONS

SEC. 4. (a) If a retired employee enrolls in the health benefits plan provided for by section 3 of this Act, the Government shall contribute toward his subscription charge such amounts as the Commission by regulation may from time to time prescribe. The amount so prescribed, if the employee is enrolled for self only, shall not be less than $3.00 monthly or more than $4.00 monthly. The amount to be prescribed for a retired employee enrolled for self and family shall be twice the contribution for one enrolled for self only. A retired employee may not receive a Government contribution for more than one plan, nor may a retired employee receive a Government contribution if he is covered under the enrollment of another employee or retired employee who is receiving a Government contribution toward his enrollment. *The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act.*

* * * * * * *

OTHER HEALTH BENEFITS PLANS

SEC. 6. (a) Subject to subsection (b) of this section, a retired employee who elects to obtain a health benefits plan, or to retain an existing health benefits plan, other than the plan provided for under section 3 of this Act, directly with a carrier, shall be paid a Government contribution to the cost of his health benefits plan which shall be equal in amount to the appropriate Government contribution established by the Commission pursuant to section 4(a) of this Act, but may not exceed the cost to him of the health benefits plan in which he is enrolled or which he retains or, if the plan combines health benefits with other benefits, shall not exceed the cost to him of the premium fixed by the carrier for the health benefits portion of the plan in which he is enrolled or which he retains. A retired employee may not receive a Government contribution for more than one plan, nor may a retired employee receive a Government contribution if he is covered under the enrollment of another employee or retired employee who is receiving a Government contribution toward his enrollment. *The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act.*

* * * * * * *

ADMINISTRATION

SEC. 9. (a) The Commission shall administer this Act and prescribe such regulations as are necessary to give full effect to the purposes of this Act.

(b) Such regulations shall fix minimum standards to be met by the carrier and the plan under section 3 of this Act, including extensions of coverage to be provided. The Commission may request all carriers to furnish such reasonable reports as the Commission determines to be necessary to enable it to carry out its functions under this Act. The carrier shall furnish such reports when requested and permit the Commission and representatives of the General Accounting Office to examine such records of the carriers as may be necessary to carry out the purposes of this Act.

(c) The Commission's regulations may include, but are not limited to, the following:

(1) exclusions of retired employees from coverage;

(2) beginning and ending dates of coverage, and conditions of eligibility;

(3) methods of filing the elections required by section 7 of this Act and other information;

(4) methods of making contributions authorized by section 6, and withholdings required by section 5 of this Act;

(5) changes in enrollment;

(6) questions of dependency;

(7) certificates and other information to be furnished to retired employees;

(8) contributions and withholding during periods of suspension of annuity payments and in other extraordinary situations;

(9) when, and under what conditions, an election not to participate in the programs offered under this Act may be withdrawn; and

(10) under what conditions and to what extent the cost of a plan shall be considered a cost attributable to the retired employee.

(d) Each agency of the United States or the District of Columbia which administers a retirement system for annuitants shall keep such records, make such certifications, and furnish the Commission with such information and reports as may be necessary to enable the Commission to carry out its functions under this Act.

(e) There are hereby authorized to be expended from the Employees Life Insurance Fund, without regard to limitations on expenditures from that Fund, for any fiscal years from the date of enactment through the fiscal year ending June 30, 1962, inclusive, such sums as may be necessary to pay administrative expenses incurred by the Commission in carrying out the health benefits provisions of this Act. Reimbursements to the Employees Life Insurance Fund for sums so expended, together with interest at a rate to be determined by the Secretary of the Treasury, shall be made from the Retired Employees Health Benefits Fund which is hereby made available for this purpose.

(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.

○

Union Calendar No. 504

91st CONGRESS
2d Session

H. R. 16968

[Report No. 91–1084]

IN THE HOUSE OF REPRESENTATIVES

April 14, 1970

Mr. Daniels of New Jersey (for himself, Mr. Henderson, Mr. Olsen, Mr. Udall, Mr. Nix, Mr. Hanley, Mr. Charles H. Wilson, Mr. Waldie, Mr. William D. Ford, Mr. Hamilton, Mr. Tiernan, Mr. Brasco, Mr. Purcell, Mr. Corbett, Mr. Cunningham, Mr. Button, Mr. Scott, Mr. Meskill, Mr. Lukens, and Mr. Hogan) introduced the following bill; which was referred to the Committee on Post Office and Civil Service

May 13, 1970

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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A BILL

To provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8906 (a) of title 5, United States Code, is amended to read as follows:

"(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted, beginning on the first day of the first pay period of each year, to an

amount equal to 50 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefit plan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

(b) The amendment made by subsection (a) of this section shall become effective at the beginning of the first applicable pay period which commences after December 31, 1970.

SEC. 2. (a) Section 8901(3)(B) of title 5, United States Code, is amended to read as follows:

"(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;".

(b) Section 8901(3)(D)(i) of title 5, United States Code, is amended by striking out ", having completed 5 or more years of service,".

SEC. 3. (a) Section 8701 (a) (B) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

(b) Section 8901 (1) (ii) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

SEC. 4. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86–724) is amended as follows:

(1) Section 2 (4) is amended by inserting immediately before the period at the end thereof a comma and the following: "and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act";

(2) Sections 4 (a) and 6 (a) are each amended by adding at the end thereof the following sentence: "The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act."; and

(3) Section 9 is amended by adding at the end thereof the following subsection:

"(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person

when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.".

(b) The amendments made by subsection (a) of this section shall become effective on January 1, 1971.

Union Calendar No. 504

91ST CONGRESS
2D SESSION

H. R. 16968

[Report No. 91–1084]

A BILL

To provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes.

By Mr. DANIELS of New Jersey, Mr. HENDERSON, Mr. OLSEN, Mr. UDALL, Mr. NIX, Mr. HANLEY, Mr. CHARLES H. WILSON, Mr. WALDIE, Mr. WILLIAM D. FORD, Mr. HAMILTON, Mr. TIERNAN, Mr. BRASCO, Mr. PURCELL, Mr. CORBETT, Mr. CUNNINGHAM, Mr. BUTTON, Mr. SCOTT, Mr. MESKILL, Mr. LUKENS, and Mr. HOGAN

APRIL 14, 1970

Referred to the Committee on Post Office and Civil Service

MAY 13, 1970

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

For actions of June 11, 1970
91st-2nd; No. 96

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

CONTENTS

HIGHLIGHTS. House subcommittee approved bill prohibiting commodity imports to which pesticides have been applied. House Merchant Marine and Fisheries Committee voted to report bill clarifying Federal Aid in Wildlife Restoration Act and Federal Aid in Fish Restoration Act. Rep. Mahon inserted "'budget scorekeeping report'". Rep. Giaimo urged farm payment limitations.

HOUSE

1. PESTICIDES. An Agriculture Committee subcommittee approved for full committee action H. R. 15560, amending the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, to prohibit the importation of certain agricultural commodities to which economic poisons have been applied.

2. POSTAL REFORM. The Rules Committee granted a rule for the consideration of H. R. 17070, the postal reform bill. p. H5481

3. FISH; WILDLIFE; CONSERVATION. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) H. R. 14124 amended, extending the term during which fisheries loans under the Fish and Wildlife Act can be made; H. R. 15770 amended, providing for conserving surface water, preserving and improving habitat for migratory waterfowl and other wildlife resources, and to reduce runoff, soil and wind erosion; and H. R. 12475 amended, revising and clarifying the Federal Aid in Wildlife Restoration Act and the Federal Aid in Fish Restoration Act. p. D616

4. PERSONNEL. The Post Office and Civil Service Committee issued a report, "Improved Manpower Management in the Federal Government" (H. Rept. No. 91-1183). p. H5481

The Rules Committee granted a rule for the consideration of H. R. 16968, providing for the adjustment of the Government contribution to the health benefits coverage of Federal employees and annuitants. p. H5481

5. RECORDS. Concurred in the Senate amendments to H. R. 14300, facilitating the disposal of Government records and abolishing the Joint Committee on the Disposition of Executive Papers. This bill now goes to the President. p. H5436

6. MARINE POLLUTION. Both Houses received a Presidential message containing a legislative proposal to terminate certain oil leases to create a marine sanctuary (H. Doc. No. 91-349). pp. H5439, S8823

7. APPROPRIATIONS. Passed H. R. 17970, making appropriations for military construction for FY 71. pp. H5437-8, 5439-57

8. CONSUMERS. A Government Operations Committee subcommittee approved for full committee action a clean bill on consumer legislation. p. D616

9. HOUSING. Rep. Chamberlain urged action by the Rules Committee on the proposed Emergency Housing Finance Act. p. H5436

10. POLLUTION. Rep. Kuykendall inserted a speech on "The Impact of Pollution on Corporate Planning". pp. H5457-9

11. FOREIGN TRADE. Rep. Findley discussed and urged that importations of shoes and textiles not be restricted. pp. H5465-8

12. ADJOURNED. Until Monday, June 15.

SENATE

13. NATIONAL PARK; RECREATION. The Interior and Insular Affairs Committee reported S. 26, with amendments, revising the boundaries of the Canyonlands National Park, Utah (S. Rept. No. 91-923) and S. 27, with amendments, establishing the Glen Canyon National Recreation Area, Arizona and Utah (S. Rept. No. 91-924). p. S8835

Sen. Mathias inserted an article citing the necessity for review of plans for Federal parks. pp. S8875-6

Sen. Yarborough inserted 2 articles about the proposed Big Thicket National Park. pp. S8878, S8884

14. WILDERNESS. The Interior and Insular Affairs Committee reported, without amendment, S. 1732, to designate certain lands in the Craters of the Moon National Monument in Idaho as wilderness (S. Rept. No. 91-928). p. S8835

15. PERSONNEL. The Post Office and Civil Service Committee voted to report with amendment (but did not actually report) S. 1772, providing that the Federal Government pay a portion of the cost of health insurance for Federal employees and annuitants. p. D613

16. APPROPRIATIONS. Senators Mondale and Javits submitted amendments to H. R. 17339, the second supplemental appropriations bill for FY 70. pp. S8841-2

17. PERSONNEL; TRAINING. Sen. Javits submitted an amendment to the proposed Manpower Training Act, S. 2838. pp. S8842-5

18. BEEF IMPORTS. Sen. Hansen discussed the cost of beef and noted the impact of imported beef on the domestic ranchers and stockmen. pp. S8884-5

19. FARM CREDIT BOARD. Sen. Tower praised the recent confirmation of Eldon G. Schuhart to the Federal Farm Credit Board. p. S8887

20. ECONOMY. Sen. Harris inserted an article citing the need for wage-price controls to combat inflation. pp. S8903-5

21. ELECTRIFICATION. Sen. Curtis inserted several winning essays in a contest sponsored by the Nebraska REA. pp. S8908-9

22. FOOD. Sen. Mondale noted the forthcoming convening of the Second World Food Congress and urged continuing support of its efforts. pp. S8916-7

23. EAST GREENACRES UNIT. Passed without amendment H. R. 9854, authorizing the construction, operation, and maintenance of the East Greenacres unit, Rathdrum Prairie project, Idaho. This bill now goes to the President. p. S8847

EXTENSION OF REMARKS

24. INFORMATION; LISTS. Rep. Wold inserted a recent editorial supporting his opposition to the selling of lists by the IRS. pp. E5463-4

25. BUDGET. Rep. Mahon inserted the latest "'budget scorekeeping report'" showing how the various actions of the Congress affect the President's budget estimates. pp. E5468-70

26. ELECTRIFICATION. Representatives Denney and Martin inserted winning essays from a contest sponsored by the Nebraska REA. pp. E5479-81, 5494-6

27. RECLAMATION. Rep. Burton, Utah, inserted an article regarding the progress of the Colorado River storage project. pp. E5486-7

28. FARM PAYMENTS. Rep. Giaimo discussed and urged the limitation of farm payments. p. E5488

29. DDT. Rep. Dingell inserted material dealing with "The Facts of DDT". pp. E5498-9

30. TAXATION. Rep. Minshall discussed his bill to provide tax incentives for industrial and business pollution controls. pp. E5499-500.

BILLS INTRODUCED

31. LOANS. H. R. 18035, by Rep. Alexander; to amend the Truth in Lending Act to eliminate the inclusion of agricultural credit; to the Committee on Banking and Currency.

32. CONSERVATION. H. R. 18041, by Rep. Gonzalez; to establish a pilot program designated as the Youth Conservation Corps; to the Committee on Education and Labor.

33. INFORMATION; LISTS. H. R. 18041, by Rep. Horton; to limit the sale or distribution of mailing lists by Federal agencies; to the Committee on Government Operations.

34. ECOLOGY. H. R. 18043, by Rep. Murphy; to amend the Fish and Wildlife Coordination Act to provide additional protection to marine and wildlife ecology by requiring the designation of certain water and submerged lands areas where the depositing of certain waste materials will be permitted, to authorize the establishment of standards with respect to such deposits; to the Committee on Merchant Marine and Fisheries.

35. LAND. H. R. 18044, by Rep. Ottinger; to designate certain lands as wilderness; to the Committee on Interior and Insular Affairs.

36. HOUSING. H. R. 18054, by Rep. Ottinger; to make available an additional $10 billion for the low-income homeownership and rental housing programs; to the Committee on Banking and Currency.

37. PERSONNEL. H. R. 18057, by Rep. Whalen; to appropriate an additional amount to carry out section 102 of the Manpower Development and Training Act of 1962; to the Committee on Appropriations.

38. FISHERIES. S. 3947, by Sen. Magnuson; to amend the Northwest Atlantic Fisheries Act of 1950 as amended, the North Pacific Fisheries Act of 1954 as amended; to the Committee on Commerce. Remarks of author pp. S8836-7

39. REDEVELOPMENT. S. J. Res. 210, by Sen. Mondale; to provide a one-year modification of designations of areas as redevelopment areas for the purposes of the Public Works and Economic Development Act of 1965; to the Committee on Public Works. Remarks of author p. S8838

40. RECREATION. S. J. Res. 416, by Sen. Montoya; to develop Elephant Butte Reservoir for Recreational purposes. p. S8840

PRINTED HEARINGS RECEIVED IN THIS OFFICE

41. APPROPRIATIONS. Dept. of Transportation appropriations for 1971. Part 3. H. Appropriations Committee

Military construction appropriations for 1971. Part 1. H. Appropriations Committee

Rep. Erlenborn discussed the authority of the proposed Environmental Protection Agency and Rep. Pelly noted the advantages of having a single organization responsible for managing pollution control programs. pp. H6528, H6548-9

7. FARM PAYMENTS. Rep. Conte and Rep. Madden expressed support of the Senate action in limiting farm payments, and Rep. Price stated his opposition to the limitation. pp. H6510-1, H6555-6, E6465

8. PESTICIDES. Rep. Monagan criticized USDA's enforcement of pesticides regulations, particularly its lack of action to restrict the use of mercurial pesticides compounds, many of whose reregistration had been objected to by HEW as potential human health hazards. pp. H6559-60

9. YOUTH CONSERVATION CORPS. Insisted on its amendment to S. 1076, establishing a pilot program, and appointed conferees. p. H6520

10. POSTAL REFORM. Disagreed to the Senate amendment to HR 17070, the postal reform bill, and appointed conferees. pp. H6520-23

11. PERSONNEL. Passed HR 16968, adjusting the Government contribution to the health benefits coverage of Federal employees and annuitants. pp. H6529-44

12. FOREIGN TRADE. Rep. McMillan stated that nothing in HR 16920, regarding the restriction of textile imports, would jeopardize the export of tobacco and the U.S. tobacco industry. pp. H6545-6

13. INTEREST RATES. Rep. Patman noted the concern of various individuals about the rising interest rates and discussed the structure of the Federal Reserve bank system. pp. H6574-7

14. ADJOURNED until Monday, July 13. p. H6587

EXTENSION OF REMARKS

15. ELECTRIFICATION. Rep. Schwengel praised an essay urging support and continuation of the rural electric cooperatives program. p. E6469

16. ENVIRONMENT. Rep. Erlenborn urged establishment of a National Environmental Center. p. E6469

17. FOREIGN TRADE. Rep. Berry called attention to a statement which noted that "prices on products that are 'protected' by import quotas have lagged distinctly behind average prices". pp. E6475-6

BILLS INTRODUCED

18. TAXATION. H.R. 18392, by Rep. Byrnes, to provide more equitable tax treatment for export income; to the Committee on Ways and Means. Remarks of author p. H6578

H.R. 18396, by Rep. Pucinski, to exclude from gross income the first $500 of interest received from savings account deposits in lending institutions; to the Committee on Ways and Means.

19. PERSONNEL. H.R. 18403, by Rep. Udall, to implement the pay comparability system for Federal employees, to establish a permanent advisory Commission on Federal Pay, and for other purposes; to the Committee on Post Office and Civil Service.

20. MEAT INSPECTION. H. Con. Res. 676, by Rep. Langen, to establish a joint congressional committee to carry out a study and investigation of the Federal Meat Inspection Act; to the Committee on Rules. Remarks of author p. E6465

BILLS APPROVED BY THE PRESIDENT

21. WALLA WALLA PROJECT. S. 743, authorizing funds to construct the Touchet division, Walla Walla project, Oregon-Washington. Approved July 7, 1970. (Public Law 91-307)

22. RECREATION. S. 2315, to continue in effect the unified system of annual and user fees for Federal recreation areas (golden eagle program). Approved July 7, 1970 (Public Law 91-308)

23. TARIFFS; L-DOPA. H.R. 8512, to suspend for 2 years the import duty on L-Dopa. Approved July 7, 1970 (Public Law 91-309)

24. LANDS. S. 2062, to differentiate between private and public ownership of lands in the administration of the acreage-limitation provisions of Federal reclamation law. Approved July 7, 1970 (Public Law 91-310)

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COMMITTEE HEARINGS ANNOUNCEMENTS:

JULY 10: Add lands to Carson National Forest, S. Interior
Tariff and trade proposals, H. Ways and Means (exec.)

JULY 13 & 14: Watershed projects, H. Agriculture (Williams, SCS, to testify)

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committee on Oceanography of the House Merchant Marine and Fisheries Committee, under the leadership of the gentleman from North Carolina, Congressman LENNON.

Second. It is very important to note that President Nixon specifically declares:

> We may well find that supplementary legislation to perfect (NOAA's) authorities will be necessary. I look forward to working with the Congress in this task.

Mr. Speaker, I can assure the President that we on the Subcommittee on Oceanography already are discussing several ideas for legislation which we believe will be needed to give the new NOAA the breadth and depth of statutory authority it will need, to do the job adequately which we and the entire oceanographic community hope it will do effectively and energetically.

Third. Much will depend on the administrative skills, energy, and leadership genius of the person to be appointed by the President to head NOAA. Therefore, it is very good that the President's order provides that NOAA's administrator will be very high in the executive scale, at level 3.

Fourth. It is good that President Nixon uses the strong adjective "compelling" in referring to our need for an expanded effort to explore and develop the uses of our marine resources. The need is very compelling.

Fifth. It also is very good that the President fully recognizes the fundamental truth that this earth's oceans and this earth's atmosphere do constitute an indivisible, interacting system, and therefore our activities in the oceans and the atmosphere rightly should be combined in the same administration.

I repeat, Mr. Speaker, this is one giant step we are taking today toward the creation of NOAA, and it now warrants much further effort on our part here in the Congress to supplement and strengthen this wise, timely initiative from the White House.

ADJUSTMENT OF GOVERNMENT CONTRIBUTION FOR FEDERAL EMPLOYEE HEALTH BENEFITS

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1078 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1078

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16968) to provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. SMITH of Iowa). The gentleman from Texas is recognized for 1 hour.

Mr. YOUNG. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. SMITH), pending which I yield myself such time as I may require.

(Mr. YOUNG asked and was given permission to revise and extend his remarks.)

Mr. YOUNG. Mr. Speaker, House Resolution 1078 provides an open rule with 1 hour of general debate for consideration of H.R. 16968 to adjust Government contributions for Federal employee health benefits.

The purpose of H.R. 16968 is to increase the Government's contribution for employee health benefits, to extend coverage under the health benefits program and the group life insurance program to noncitizen employees in the Panama Canal Zone, to permit part B of medicare to be a qualifying plan under the retired Federal employees' health benefits program, and to correct an inequity with respect to the survivors of employees who have less than 5 years of service.

The bill provides that, beginning on the first day of the first pay period of each year, the Government contribution for health benefits for employees or annuitants shall be an amount equal to 50 percent of the average of the charges in effect on the beginning date of the adjustment. Initially the Government's contribution was 38 percent and at the present time it is down to approximately 24 percent.

Noncitizen employees have constituted the bulk of our Government's work force in the Canal Zone during and since the digging of the Panama Canal, but they have been excluded from coverage in both the Group Life Insurance Act and the Health Benefits Act. This legislation would provide coverage for them under both acts.

The Retired Federal Employees' Health Benefits Act, applicable to pre-July 1960 retirees and survivors, restricts a direct Government contribution to only those annuitants to subscribe to health insurance plans offered by nongovernmental organizations and denies such contribution in the event he or she receives a Government contribution toward another plan.

The bill eliminates the minimum 5-year service requirement of deceased employees in order for their survivor-annuitants or beneficiaries to be eligible for continued health-benefits coverage.

The legislation amends the law to the extent that part B of the medicare program will constitute a qualifying plan. Thus, additional annuitants will be eligible to receive monthly contributions to apply in payment of their share of supplementary medical insurance under the medicare program.

The bill also authorizes the Civil Service Commission to waive the recovery of any such direct payments when, in the Commission's judgment, the annuitant is without fault and when recovery would be contrary to equity and good conscience.

It is estimated that the cost to the Government, assuming the 12-percent increase, of the contribution for health benefits would be $314.3 million for calendar year 1971, or approximately $157 million for the last 6 months of fiscal year 1971.

The cost of the extension of life and health insurance coverage for Canal Zone employees is estimated at $1 to $2 million annually.

The cost for the extension of coverage to survivors of short service deceased employees and allowing a direct Government contribution to a comparatively few elderly annuitants would be de minimus.

Mr. Speaker, I urge the adoption of House Resolution 1078.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, as stated by the distinguished gentleman from Texas (Mr. YOUNG), House Resolution 1078 does provide an open rule for 1 hour of debate for consideration of H.R. 16968 to provide for the adjustment of the Government contribution with respect to the health-benefits coverage of Federal employees and annuitants.

Mr. Speaker, the principal purpose of the bill is to provide for a more equitable cost-sharing basis by the Federal Government and its employees with respect to the premium charges under the Federal employees health benefits program. Additionally, the bill extends coverage of the group life insurance program to noncitizen employees in the Panama Canal Zone and corrects an inequity with respect to survivors of employees with less than 5 years of service.

Under current law the Government's share of the premium costs of the health benefits program is a fixed dollar amount. As costs of the programs have risen and more and more employees have chosen the high-option plans, the Government's share of the total premium costs has continually dropped. The bill seeks to adjust this imbalance by providing that, effective January 1971, the Government's share of the premiums charged will be based upon the high-option benefit level in the Federal Government health benefit program. The maximum Government contribution will be 50 percent of such average premium costs. In no case shall the Government contribution exceed 50 percent of the total premium charges for the program's low-option level of benefits.

This proposal has the advantage of eliminating the expression of the Government contribution in terms of fixed dollar amounts and substitutes for it a percentage of the total premium charges. Because of this percentage basis, it has the added advantage of annual automatic adjustment as future premiums are increased. As an illustration: If the new formula were applied to current high-

option premiums, the Government contribution would be increased from the current $8.88 to $19.85. The Civil Service Commission estimates that the Government contribution required by this change in current law, assuming a projected 12-percent increase in premium charges to take effect in January 1971, would be increased by $314,300,000 for calendar 1971. The increase for the last 6 months of fiscal 1970 would be $157 million.

The administration supports a Government payment equal to 38 percent of the premium costs. This was the percentage which existed at the time the program was instituted. As the bill exceeds this figure, the administration is probably not happy with the bill, although no letters of opposition are contained in the report.

Mr. Speaker, there are no minority views.

I urge adoption of the rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. BROYHILL).

Mr. BROYHILL of Virginia. Mr. Speaker, H.R. 16968, which this rule makes in order, addresses itself to one of the major problems with which we are confronted.

With all due respect to the problems of pollution, crime and campus unrest, one of the gravest domestic problems with which we are confronted in the Nation today is the rapidly increasing cost of medical care. Our people have an increasing desire and need for medical services, due to the great advances in medical achievement as well as the fact that Americans want the best in life and health for themselves and their loved ones. So the cost of medical services would be increasing by leaps and bounds even without the inflationary spiral confronting us.

Because of high medical costs many proposals are being made for more Government action in this area. In fact, just as recently as the other day a very prominent representative group proposed a nationwide governmental health insurance program and we have had numerous proposals for compulsory health insurance. We have also been faced with meeting the increased costs of medicare and medicaid, and with proposals for further extending these programs.

The best solution, however, to meeting the costs of medical care, is the same solution we have used over the period of history in our Nation. That is to encourage as much as possible the initiative of the individual and private industry. For history has repeatedly proven that Government interference is the most costly, as well as the least effective and the least satisfactory, solution to such problems. But government must enter the picture when private initiative has failed.

Today, however, we are considering a proposal in an area of medical care in which the Government is cast in the role of an employer, not a paternalistic government. The proposal we have before us today requires the Government to meet its responsibility as an employer and by so doing to set an example for other employers throughout the Nation to follow. By exercising this type of leadership as an employer, the Government may also save itself a great deal of money which might otherwise be required of it in the future as a paternalistic government. It may also save the Government money by virtue of the fact that we will have greater assurance that all Federal employees will provide themselves with the proper amount of health insurance so that they will not be compelled to use public assistance in the event of a catastrophic illness.

Voluntary health insurance programs are relatively new, and the use of these programs has increased by leaps and bounds in recent years. Even so, the Federal Government was quite late in coming into the employee health insurance program. The health insurance program was not adopted by the Congress until 1959 for regular employees and 1960 for retired employees.

When Congress was considering the programs, the Committee on Post Office and Civil Service determined that a 50–50 participating plan was fair and reasonable. Because it was a new program and the cost to the Government was not yet estimated a formula was adopted wherein the Government would pay 50 percent of the cost of the least expensive low option family program. By virtue of the type of insurance plan that the employees adopted, however, the cost distribution at the time of enactment amounted to a 38-percent cost for the Government and a 62-percent cost for the employee. Due to the increased costs of medical care since that time the Government contribution had to be increased in 1966 to simply maintain the unfair 38–62 ratio. Since that time further increased costs has caused the formula adopted in 1966 to be reduced to a 24–76 ratio.

In other words, the Federal Government is now paying only 24 percent of the cost of what should be a 50–50 employer-employee program. The bill we have before us today will correct this inequity and provide for a 50–50 participation in the future regardless of increases in the cost of medical care.

Another excellent feature of this bill takes care of an inequity resulting from overlapping and duplicating provisions between part B of medicare for employees who retired prior to 1960. In order for Federal employees who retired prior to 1960 to benefit from the retired Federal employee health insurance program, they had to pay for certain benefits which were also provided for them under part B of medicare which is available to all American citizens whether former Federal employees or not. This bill will permit the amount of the Federal contribution to the retired Federal employee health insurance program to be paid as a part of the employee's share of part B of medicare, thereby eliminating overlapping and duplication of benefits.

It is interesting to note that the House Committee on Ways and Means in its recent action on social security legislation is requiring this type of action to be taken. Because, if this action is not taken, the social security bill recently passed would prohibit the medicare program from being used for any benefits in which there is a Federal health insurance program involved providing the same benefits.

Mr. Speaker, this is a good bill. This is a fair bill. It provides a way for the Federal Government to meet its responsibility as an employer. Equally as important, however, as I pointed out before, it may, by providing an example for employers elsewhere, provide a way in which the Government will prevent every increasing cost in this area in future years. I hope the rule and the bill will be adopted.

Mr. YOUNG. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendemnts in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 17923. An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1971, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 17923) entitled "An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1971, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLAND, Mr. RUSSELL, Mr. STENNIS, Mr. ELLENDER, Mr. HRUSKA, Mr. YOUNG of North Dakota, and Mr. FONG to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate (S. 3348) entiled "An act to amend title 38, United States Code, to increase the rates of compensation for disabled veterans, and for other purposes," with amendments in which concurrence of the House is requested.

ADJUSTMENT OF GOVERNMENT CONTRIBUTION FOR FEDERAL EMPLOYEE HEALTH BENEFITS

Mr. DULSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16968) to provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole

House on the State of the Union for the consideration of the bill H.R. 16968, with Mr. BROOKS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York (Mr. DULSKI) will be recognized for 30 minutes, and the gentleman from Virginia (Mr. SCOTT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. DULSKI).

Mr. DULSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 16968 represents a step in the right direction. This legislation is long overdue. It will correct an inequity under which our Nation's dedicated Federal employees and retirees have labored for the past decade.

The inequity of which I speak requires enrollees under the Federal employees' health benefits program to pay more than three-fourths of the program's costs. There is no question but that workers in progressive private enterprise receive much larger management contributions for health benefits than is the case with our own Government workers.

When the program was established in 1959, it was the consensus of congressional opinion that the Government should pay at least half of the premium costs. Because we had no experience in this new field at the time, the administration prevailed upon the Committee on Post Office and Civil Service to set a dollar limit on the Government's share of costs—$1.62 biweekly for self-enrollment or $3.94 for self and family. Upon implementation of the program in 1960, that limit turned out to represent not 50 percent of the costs but 38 percent, with employees and retirees paying the remaining 62 percent of charges.

We all know the unfortunate history, which found the dollar limitation forcing the Government share ever downward, and the enrollees' burden ever upward. In fact, the situation has now deteriorated to a point where the Government pays only 24.2 percent, while the participants under the program are picking up 75.8 percent of the tab.

There is absolutely no justification for this unconscionable shifting of the heavy burden of health care protection from management to employees.

I commend the chairman of our Subcommittee on Retirement, Insurance, and Health Benefits, the gentleman from New Jersey (Mr. DANIELS) for the outstanding leadership he has demonstrated in obtaining committee approval of the bill. I commend the members of the subcommittee for their unanimous support of the reported bill, and the 20 members of the committee, on both sides of the aisle, for their cosponsorship of this vitally essential measure.

I trust that the Members of this body will lend their enthusiastic support to the committee's endeavors by giving H.R. 16968 your unanimous approval. This improvement in the health benefits program will mark a real breakthrough in terms of Government participation.

For an explanation of the provisions of the bill, I yield to the gentleman from New Jersey, the subcommittee chairman, so much time as he may consume.

Mr. DANIELS of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

(Mr. DANIELS of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. DANIELS of New Jersey. Mr. Chairman, I rise to urge the membership of this House to lend their strong support to the legislation under consideration (H.R. 16968), the major purpose of which is to relieve employees and annuitants from continuing to bear a disproportionately large share of the premium charges under the Federal employees' health benefits program.

Perhaps it may be well, at the outset, to recall the legislative history behind both the Federal employees' health benefits program and the Retired Federal Employees' Health Benefits Act.

The Federal employees' health benefits program, now codified into positive law under chapter 89 of title 5 of the United States Code, was enacted on September 28, 1959, as Public Law 86–382. Its enactment established the largest voluntary group health insurance plan in existence in the United States, effective July 1, 1960, making basic and major health protection available to Federal employees in active service on and after July 1, 1960, and to their families. Such group coverage is also extended to those—and their families—who retire from active service thereafter.

The primary purpose of the program is to facilitate personnel administration by providing a measure of protection for civilian Government employees against the high, unbudgetable, and, therefore, financially burdensome costs of medical services through a comprehensive program of medical insurance, the costs of which are shared by the Government, as employer, and its employees.

In the development of the enabling legislation, congressional proponents favored a 50–50 employee-employer sharing of all costs, and such a rate of contribution was included. However, because of the unknown factors inherent in an entirely new area of Federal employee fringe benefits in which the Government had no previous experience, a limitation was placed on the maximum contribution to be paid by the Government. This maximum was geared to the least expensive Government-wide low option plan and a dollar limitation was imposed which, at that time, contemplated that a "standard' policy which would be adequate for most employees' needs could be purchased on a 50–50 sharing basis. It provided, further, that "preferred" policies be made available, but that those employees enrolling in high option or more expensive prepayment plans would pay the entire costs of the additional benefits.

A year later the Congress, by the enactment of Public Law 86–725, established the Retired Federal Employees' Health Benefits Act for those retirees and dependents who were not eligible to enroll in the active program because their annuity rights were based upon separations occurring prior to July 1, 1960.

Experience gained from implementing the 1959 act indicated the desirability of establishing: First, a single uniform Government-wide plan, rather than the multiplicity of plans developed under the active employee program; and, second, in order to meet the varying needs of retirees, to grant the option of a person retaining or enrolling in a private health benefits plan—subject to certain qualification requirements—with the Government's contribution to the cost being paid directly to the annuitant.

These two programs now constitute the largest voluntary employer-sponsored health insurance system in the world. The active program covers almost 2.7 million employees and annuitants. Together with their 5½ million dependents, it covers in excess of 8.2 million persons. The retired program covers more than 175,000 annuitants, plus several tens of thousands of their dependents. Combined coverage approximates 8½ million persons.

Since the inception of the Federal employees' health benefits program a decade ago, employees have had a free choice among plans in four major categories, including: First, a Government-wide service benefit plan offered by Blue Cross-Blue Shield; second, a Government-wide indemnity plan offered by the insurance industry; third, one of several employee organization plans; and, fourth, a comprehensive prepayment plan. The two Government-wide plans must offer at least two levels of benefits—a low option or "standard" policy and a high option or "preferred" policy. While the current 36 employee organization and prepayment plans may offer two levels of benefits, only 14 do so, the remaining 22 offering only a high option level. All plans allow for coverage for self alone, or for self and family.

Perhaps the program is unique when compared with traditional patterns in private industry, in that the employee has a broad range of choice between carriers and levels of benefits, and, to a lesser degree, may continue coverage into retirement. While the law prescribes, in general, the types of benefits to be provided under all plans, it authorizes the Civil Service Commission to contract with qualified carriers for such services, subject to any maximums, limitations, or exclusions considered necessary or desirable.

In 1960 the initial distribution of enrollments between self-only and family coverage, between high and low options, and among the various 30-odd plans resulted in the Government's contributing only 38 percent—not 50 percent as anticipated—of the aggregate premiums for all enrollments, with employees contributing 62 percent.

As time went on, this 38-percent Government share of the aggregate premium gradually diminished for two main reasons: First, employees gravitated toward the more adequate high options; and, second, high-option premiums increased because the cost of medical care increased, improved benefits were made available, and a relatively high morbidity was experienced.

By 1966 the Government's share of the

program's cost was down from 38 percent to 28 percent of the total average premiums. Congress reacted by increasing the maximum Government contribution so as to restore it, in effect, to the less-than-ideal initial 1960 level of 38 percent. However, premium increases in January of 1967, 1968, 1969, and 1970, have again diminished the Government's contributions to approximately 24 percent of present aggregate premiums. In fact, there are now only a few low-option plans in which the Government's contribution equals one-half of the total premium charges.

Time was, and not too long ago, when human reluctance to enter a hospital—or even to go to a doctor—stemmed largely from fear of physical discomfort. Today it stems, as well, from fear of acute financial discomfort—and well it might, hospital and medical care costs have risen astronomically, and no deceleration is in sight.

In the post-World War II period charges for medical care have risen persistently. From 1946 through 1969 the medical care component of the consumer price index increased by 158 percent, to 258 percent of what it was in 1946. During the same years the index for all consumer items rose at a much slower rate, increasing comparatively by 88 percent.

Increases in medical care costs have particularly occurred since 1959. With a base period of 1957–59 equaling 100, the medical care index rose from 104.4 in 1959, the year in which the Federal employees' health benefits program was enacted, to 159 in January of 1970. The "all items" index increased from 101.5 in 1959 to 131.8 in January of 1970.

The problem of escalating medical care costs is, of course, not peculiar to the Federal employees' health benefits program—it is a problem common to all segments of the Nation's populace. In administering this program every effort is made to control risk charges and administrative expenses, to provide minimal, but adequate, reserves for adverse experience, with the objective of utilizing every possible penny of the premium dollar to provide for maximum benefits.

While our committee has had a continuing concern over the skyrocketing costs of providing health benefits protection under the programs within its jurisdiction, its scope of activity cannot, unfortunately, stop or minimize spiraling costs of medical care. Premiums must be sufficient to pay for the benefits provided, and rate increases must be approved annually in order to maintain the financial soundness of the plans participating in the program. As health care costs rise, the portion of them not covered by insurance constitutes a greater burden for Government employees and annuitants, and, as premium charges rise to cover such costs, an additional financial burden is imposed upon them. Given these factors, enrollees are faced with an increasingly difficult problem of paying for benefits.

From the program's beginning, the Government has made a uniform dollars-and-cents contribution to the enrollees' selected health insurance plan. In 1960 that monthly contribution of a self-and-family plan was $6.76, which was 50 percent of the cost of the least expensive Government-wide low option plan. As previously stated, the preponderance of high-option selection resulted in employees sharing more than 60 percent of the cost of their respective plans. As premium charges increased thereafter, because of the fixed maximum contribution, the Government's relative percentage of contribution gradually declined.

While the individual's plight was slightly alleviated in 1966, when the uniform monthly Government contribution was increased to $8.88, that relief was short lived. Within a period of 5 short months, because of the continuously rising premium charges, the Government's relative share again began to decline below an average of 38 percent of charges. In fact, during the program's 10-year history premium costs have increased by more than 120 percent, but enrollees' costs have increased by over 175 percent, while the Government's contribution, as a percentage of the total, has declined by 40 percent.

The real inequity, attributable to the Government's fixed dollar contribution, is that the employees and annuitants have been repeatedly forced to assume all of the premium increases caused by skyrocketing hospital and medical costs. It is they who are presently paying over 75 percent of the costs of their medical insurance, whereas today the Government, as the employer, is paying less than 25 percent of the total costs. Our concern is further heightened by the inevitable prospect that failure to remedy this imbalance will result in the enrollees bearing 80 percent of the program's cost in 1971.

The testimony developed by the Subcommittee on Retirement, Insurance, and Health Benefits during 4 days of public hearings supports, I believe, the contention that the Federal Government, as a major employer, is lagging far behind major employers in the private sector in this important area of employee benefit programs. Evidence, confirmed by official Government statistics and analyses, shows that major industrial employers are paying most, if not all, of the costs of comparable health benefits protection for their workers. It is the consensus of the committee, therefore, that the Government's maximum contribution under the Federal employees' health benefits program be increased to a level at which it will share equally with most of the program's enrollees the premium charges for coverage, and that such cost-sharing ratio be maintained in future years.

This primary objective is embodied in the legislation before us today, H.R. 16968. The bill embraces a method proposed by the Civil Service Commission for automatically determining and adjusting the Government's contribution to premiums, with the relevant variable being the percentage of the premium cost the Government will, in a responsible sense, equitably assume. The committee feels strongly that such variable should be not less than 50 percent.

H.R. 16968 accomplishes that objective by eliminating the maximum dollar amounts, and by expressing the Government contribution in terms of a percentage of total subscription charges. Effective in January of 1971, and each year thereafter, the Government's share of the premium charges under the Federal employees' health benefits program will be pegged to the high-option level of benefits, using a premium base representative of the different kinds of plans that participate. Each year the average of the high-option premiums of the two governmentwide plans, the two largest emloyee-organization plans, and the two largest prepayment group practice plans will be used to determine the maximum Government contribution to any plan or option. These six plans represent approximately 90 percent of all enrollments. The maximum Government contribution for all employees and annuitants would be fixed at 50 percent of such average. However, the Government contribution could not exceed 50 percent of the premium of any plan's low-option level.

The bill also provides the following:

First, to conform to last year's change in the civil service retirement program, whereby widows and children of employees who die in active service with less than 5 years of service are granted minimum annuity benefits, the health benefits law is amended to extend health insurance protection to such survivors.

Second, to fulfill a longstanding commitment of the United States, contained in treaty negotiations and reaffirmed in subsequent memorandums of understandings, to make available to Panamanian employees the same governmental health and life insurance protection as is available to U.S. citizen employees in the Canal Zone, coverage under the Federal employees' health benefits and Federal employees' group life insurance programs is extended to approximately 12,000 active noncitizen employees in the Panama Canal Zone; and

Third, the Retired Federal Employees' Health Benefits Act, which applies to pre-July 1960 annuitants, is amended to permit part B of the medicare program to constitute a qualifying plan for the purpose of allowing certain annuitants to become eligible for a monthly Government contribution toward their health care costs.

Mr. Chairman, the need for this legislation is demonstrated by the fact that H.R. 16968 was unanimously approved by all eight members of the Subcommittee on Retirement, Insurance, and Health Benefits, cosponsored by 20 of the 26 members of the Committee on Post Office and Civil Service, and overwhelmingly adopted by the full committee, without amendment.

It is my strong belief, and the judgment of my committee colleagues, Mr. Chairman, that to do less than that proposed by this bill would perpetuate the unfair practice of requiring retirees and employees to bear the "lion's share" of incessantly rising health care costs.

I urge that this body also lend its overwhelming support to H.R. 16968, without amendment.

Mr. NIX. Mr. Chairman, will the gentleman yield?

Mr. DANIELS of New Jersey. I am happy to yield to the gentleman from Pennsylvania.

(Mr. NIX asked and was given permission to revise and extend his remarks.)

Mr. NIX. Mr. Chairman, not only do I rise in full support of modernizing the funding mechanism of the Federal employees' health benefits program, but to emphasize the great need for Panamanians employed by the Federal Government in the Canal Zone to be included in the program on an equal basis with U.S. citizens.

I believe that when the Congress reviews our Government's employment practices with respect to three-quarters of its employees in the Canal Zone, it will want to rectify the inequities—from the standpoint of living up to international commitments.

We Americans like to contemplate our Government as leading the way in matters concerning the welfare of individuals. It therefore comes as a shocking disappointment of disillusion when we observe the Federal Government trailing exceedingly far behind private employers and a substantial number of the States and cities in respect to health benefits for its employees.

For the Congress of the United States this package of employee benefits for noncitizens in the Canal Zone is a small matter without impact on the Federal budget. But for approximately 12,000 individuals and their families, it is a matter of extremely great magnitude.

Noncitizen employees have constituted the bulk of our Government work force in the Canal Zone during the digging of the Panama Canal and since its opening in 1914. They have performed their duties loyally and well for the United States.

For many years it has been a matter of extremely intense irritation on the part of the Panamanians and the Government that we have denied to those noncitizen employees many of the benefits of employment accorded Federal employees who are U.S. citizens. Such unequal treatment is in direct contravention of repeated promises of equality which have been made by our Government to the Republic of Panama and represents a constant source of anti-U.S. feeling among Panamanians.

The United States has accepted an international commitment to provide equal pay and retirement benefits to noncitizen employees in accord with that received by U.S. citizen employees. Yet it still has not made available fringe benefits such as health and life insurance. It is interesting to note that the Panama Canal Company, the largest employer of noncitizens in the Canal Zone has continually made recommendations for the extension of the health benefits coverage to all of their employees.

The continuation of soaring space-bound increases in daily hospital charges and doctor's fees has raised the premium that an individual has to pay to receive coverage to the level that many of the workers cannot afford coverage. This then puts them and their families in a welfare position when illness occurs.

As early as December 23, 1908, 6 years before the canal opened; the Secretary of War issued a statement declaring as a matter of public policy that the principle of equality of opportunity and treatment would be maintained. This policy was restated again by Executive orders issued on February 2, 1914, and once more on February 20, 1920.

During the treaty negotiations of 1936, the U.S. Government forwarded a note to the Republic of Panama stating:

> Regarding Panamanian citizens employed by the Panama Canal or by the Panama Railroad, I have the honor to state that the Government of the United States of America, in recognition of the special relationship between the United States of America and the Republic of Panama with respect to the Panama Canal and the Panama Railroad Company, maintains and will maintain as its public policy the principle of equality of opportunity and treatment set down in the Order of December 23, 1908, of the Secretary of War, and in the Executive Orders of February 2, 1914, and February 20, 1920, and will favor the maintenance, enforcement or enactment of such provisions . . . and will assure to Panamanian citizens employed by the Canal or the Railroad equality of treatment with employees who are citizens of the United States of America.

In 1939, President Franklin D. Roosevelt expressed his determination to implement the statement of parity in Canal Zone employment practices. On the occasion of the signing of a law authorizing new construction in the Canal Zone, the President stated:

> I intend to ask Congress in its next session to amend the present law so that it may conform with the obligations acquired in respect to Panama, to concede to the citizens of Panama opportunity and treatment in employment for the Canal Administration and the Panama Railroad Company equal to that offered to those who are citizens of the United States.

The promise of parity was once again announced in 1955. In that year the United States concluded a new treaty with the Republic of Panama. In connection with those negotiations the U.S. Government transmitted to the Republic of Panama a memorandum of understanding in which the following promise was made:

> The United States will afford equality of opportunity for citizens of Panama for employment in all United States Government positions in the Canal Zone for which they are qualified and in which the employment of the United States citizens is not required in the judgment of the United States for security reasons.

In 1962 again in connection with treaty negotiations, our Government reaffirmed the policy in a joint statement with the Government of Panama:

> The United States Government has prepared a draft bill for presentation to the Congress of the United States which would make available to Panamanian employees of the United States Government in the Canal Zone the same governmental health and life insurance benefits as are available to the United States citizens employees.

For these reasons, and by virtue of the oft-enunciated promises, I introduced H.R. 9136 in the first session of the 91st Congress.

It cannot be argued that the outlay will throw the Federal budget out of balance. On the contrary, all costs of canal operations are covered by canal receipts. The Panama Canal Company, for fiscal year 1969, reports net operating revenue of $15,566,098—after payment to the United States Treasury of operating costs and interest payments on the United States investment.

The complete annual expenditure for health and life insurance benefits, if applied to today's employees, would amount to less than $2 million, most of which can be covered without any trouble out of net operating revenue of the Panama Canal Co. and the Canal Zone Government.

The Panamanians are looking to us for some of the securities which most of us in the United States have long since come to expect as a fundamental condition of employment. Passage of H.R. 16968, without providing for coverage for the noncitizen workers in the Canal Zone, will further facilitate the disparity that presently exists between the citizen and noncitizen employees.

Mr. Chairman, I commend the committee's wisdom in incorporating in this legislation the provision extending both health insurance and life insurance coverage to these deserving employees. I am gratified that the pertinent administrative agencies have urged its incorporation herein. I am pleased, as the author of the bill to fulfill our Government's commitments to our Panamanian employees, that my bill has been embodied in H.R. 16968.

I urge the membership of this House to adopt the committee's bill without amendment.

Mr. BYRNE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DANIELS of New Jersey. I yield to the gentleman from Pennsylvania.

(Mr. BYRNE of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. BYRNE of Pennsylvania. Mr. Chairman, I welcome this opportunity to lend my support to H.R. 16968, and to help in the process of balancing the cost of Government and employees into a more reasonable ratio of 50–50. This bill will, to some extent, help Federal employees to reach the level of health insurance benefits offered by private American employers.

It was not until 1960 that the present insurance program was adopted. Since that time, the Federal Government has never contributed more than 38 percent of the aggregate premium costs, and then only on two occasions. The promise of equal sharing has been there, but the actual benefits to employees have failed to materialize. Since 1960, the Government's contribution has declined, under the fixed dollar contribution limit, to approximately 24.2 percent.

What began as a contribution of more than one-third has dropped in just 10 years to less than one quarter. If hospital and medical costs continue to rise at their present rates, premiums will increase yearly, and the Government's contribution will begin to approach one-fifth of premium costs, then one-sixth, then one-tenth—unless immediate remedial action is taken.

You will note that Government's share of the cost has increased approximately 32 percent while the increase of costs to the employee has increased 104 percent. Stated differently, the employer is paying

over 75 percent of the cost for self and family enrollment in high option and the Government is paying less than 25 percent.

It is important to note that the major cost of premium increases has been due primarily to the spiraling costs of health care and not to liberalizations or new coverages provided in the benefit structure. This fact was recently documented in a report prepared for the Civil Service Commission by Milliman & Robertson, Inc., a firm of consulting actuaries. In their analysis of the two Government-wide plans they noted:

> Premium increases for both the Service Plan and the Indemnity Plan have been several times greater than benefits added—about 8 times greater for the high option plans and about 3 times greater for the low option plans. Thus, higher payments under the original benefit provisions have accounted for much of the additional premium needed.

Increases in hospital room rates were the main contributor to the use in medical care costs. What this means—and it is a surprise to no one; members of this committee, administration officials, and least of all to Federal employees—is that health insurance premiums will have to increase again next January to cover these burgeoning medical care costs.

Few, if any, employees can afford not to have health insurance, yet the point may be approaching when some employees cannot afford health insurance, or at least the option they should have to assure peace and adequate protection in the event of major illness.

During recent years, the trend in the private sector has been for management to assume a larger proportion of the cost of employee's insurance. In a majority of instances the employer foots the full amount. A 1967 study of employee benefits made by the U.S. Chamber of Commerce of 1,150 firms revealed that 3.2 percent of the payroll was paid for various types of insurance. Eighty-four firms reported insurance payments amounting to 6 percent or more of the payroll. The report also shows that "payments for insurance was reported by 98 percent of both manufacturing and nonmanufacturing firms." A breakdown of the amount paid out by the firms for health insurance was not given. However, the outlook section of the February 18, 1969, issue of the Wall Street Journal states:

> Health insurance, like the Blue Cross plan, is an outstanding type of unseen income today. It's been estimated that as of 1967 almost 163 million Americans had some type of private health insurance, and insurance men figure that probably three-fourths of these are covered by group policies either totally or partly paid for by employers.

This simply supports something we already know—that group health insurance has during the past few years become a part of our way of life. Surveys over the last few years by the Bureau of Labor Statistics report that almost 100 percent of employees in private industry have health insurance plans.

In 1962 the Congress enacted the Federal Salary Reform Act, providing that Federal salary rates shall be comparable with those in private industry. Even before that, in 1959, the Congress had enacted a provision for a health insurance program for Federal employees. In this respect the Congress provided for a fringe benefit for Federal employees which was intended to be comparable to that of employees in the private sector. The original intention of the Congress was that the Government should pay 50 percent of the costs of an adequate plan, leaving it up to the individual employee whether he wished to subscribe to a richer plan at his own cost.

The assumption that the majority of employees would choose low-option coverage turned out not only to be totally invalid, but, far worse, it has diverted the development of the Federal employees' health benefits program away from the original intentions of Congress. A system developed, therefore, in which today the low-option plans, in which a very small minority of the percentage of employees is enrolled, determine the contributions which must be paid by the 90-percent majority enrolled in high options. This demonstrates the need of a 50–50 ratio based on the high-option plan for the Government's contributions, with annual adjusting of contributions as costs change.

To summarize, health insurance is a fringe benefit of the Federal employee which the Congress intended to be comparable with that of employees in private industry. In private industry today, the employer contribution, as a percentage of basic wages, is almost twice that of the Federal Government, more than half of private industry health insurance plans are financed solely by the employer, and in those which are contributory the employer pays more than half. In my opinion, the proposal of 50-percent Federal financing, as embraced in H.R. 16968, at least as to a basic plan, is required if the promise of comparability is to be kept.

Mr. Chairman, the adoption of H.R. 16968 is essential. I urge its unanimous passage.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DANIELS of New Jersey. I am pleased to yield to the gentleman from New York.

(Mr. HANLEY asked and was given permission to revise and extend his remarks.)

Mr. HANLEY. Mr. Chairman, I rise in wholeheartedly support of H.R. 16968, the primary purpose of which is to provide for the adjustment of the Government contribution under the Federal employees' and annuitants' health benefits program.

Your Committee on Post Office and Civil Service, and its Subcommittee on Retirement, Insurance, and Health Benefits, considers the operation of this particular fringe benefit program to be one of its most important responsibilities. In fact, with the terrifying inflation in health care costs, it might well become our most important concern.

The incessant increases in hospital and medical care costs common to all segments of our society are reflected in these programs, and particularly in the Federal employees' health benefits plan. These rising costs are causing considerable anguish not only to employee and annuitant subscribers, but to employers and the purveyors of health insurance policies, as witnessed by the multitude of discussions on the subject in various congressional committees and throughout the country.

The apparent consequence of spiraling health care costs has been that premiums have had to be substantially increased in order to maintain present standards of benefits. A further consequence, because of the maximum dollar limitations imposed upon the Government's contribution, has been that the employees and annuitants are unrelentingly burdened with an ever-growing share of premium charges.

In fulfillment of this responsibility, its Subcommittee on Retirement, Insurance, and Health Benefits recently conducted public hearings to review and evaluate the experience and administration of these programs, which are of vital importance to both the active and retired Federal work force. While the subcommittee hearings largley dealt with the serious question of the inadequacy of the Government's sharing of premium charges—the basic problem being of such magnitude that it transcends the scope of our jurisdiction—we addressed ourselves objectively to the related problems of these programs in the hope that our deliberations will have at least a salutary effect upon the larger issue.

The committee has had a continuing concern over the skyrocketing costs of providing health benefits protection under the programs within its jurisdiction. Medical care costs, including the cost of hospitalization, surgery, physician and nursing fees, drugs and medicines, and laboratory services, have spiraled in recent years and continue to accelerate faster than the prices of any other commodities or services.

The largest percentage rises in health care costs have occurred over the 10 years in which the Federal programs have been in effect. While the medical care index rose by an average rate of 4.7 percent annually during the 1950's, medical care prices during the 1960's have increased at a much faster rate, rising 6.6 percent in 1966, 6.4 percent in 1967, 6.1 percent in 1968, and 6.9 percent in 1969.

A particularly disturbing fact is that daily hospital rates have been increasing more rapidly than any other component of the medical care price index, which increased 595 percent in the postwar period; that is, they increased to 695 percent of what they were in 1946. While physicians' fees increased 142 percent over the same period, the index for all consumer items increased 88 percent. Within the medical care component, hospital room rates rose especially sharply, increasing by 16.5 percent in 1966, and leaping further by an additional 15.5 percent in 1967.

I am sure that all Members of the Congress appreciates that the sharply rising costs of care, and consequently the increases in that portion of premiums not paid by the Government, has resulted in less take-home pay for employees and annuitants. With additional premium increases appearing to be inevitable, I am equally sure that we all agree that the Government should re-

sponsibly share the financial burden of these increases.

During our deliberations on remedial legislation, the committee took cognizance of a recent actuarial evaluation of the program made by Milliman and Robertson, Inc., regarded by the insurance industry as one of the country's leading consultants in the field. The consulting actuaries report stated:

> It would seem desirable for the Government to pay a larger part of the premium since the limitations now imposed have resulted in the decreasing percentage of contribution observed.

Recognizing the traditionally conservative nature of actuarial authorities, particularly in submitting such a report to the Government, the committee feels the suggestion to be most compelling, the variable being the relative percentage of costs that the Government will equitably assume. In an apparent effort to indicate what funding role the Government should play, the actuarial consultants reported:

> A review was made by seven very large employer plans that had been recently revised, and which have benefits comparable to the governmentwide plans. In all instances the employer paid part of the cost; in three instances the entire premium for both employees and dependents was paid by the employer; in only one case was the employee contribution more than $3.00 for an individual enrollment or $7.00 for a family enrollment.

H.R. 16968, while not attaining the ideal of providing a cost-free health benefits program, offers a moderate answer to the problem faced by several million employees, retirees, and survivors by increasing the Government's contribution from its present one-fourth to one-half of the subscription charges. The bill has the added advantage of annual automatic adjustment, so as to continue the cost-sharing ratio on a 50–50 basis.

This legislation will put meaning into the funding formula by updating it in a manner to assure that the Government is at least striving to match private industry's trend toward providing its workers and pensioners cost-free health insurance.

Mr. Chairman, I urge the unanimous adoption of H.R. 16968.

Mr. SCOTT. Mr. Chairman, I yield myself such time as I may consume.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. I am glad to yield to the gentleman from Pennsylvania.

Mr. CORBETT. Mr. Chairman, I am pleased to be a cosponsor of this extremely important legislation, and I urge its passage by the House this afternoon.

The bill, H.R. 16968, corrects a long-standing inequity that has existed in the Federal Employees Health Benefits program since it became effective 10 years ago.

At that time it was the intent of the Congress that this new fringe benefit be financed on a 50–50 sharing basis through employee and agency contributions. However, after the initial "shakedown" period it developed that because of the distribution of enrollments between self-only and family coverage, between high and low options, and among the various 30-odd plans, that the Government's contribution was only approximating 38 percent of total premiums with the employees contributing 62 percent.

This unequal sharing of cost has continued with slight variations until now the Government is actually contributing only 24 percent with the employee picking up the remaining 76 percent.

As indicated earlier, this change in the overall premium rates continually increase with the Government's share remaining at a fixed dollar amount.

In other words, every time the total premium for any of the health benefits plans is increased, the employee ends up paying the total amount of the increase with a resultant corresponding decrease in his take-home pay.

I submit, Mr. Chairman, that this situation is extremely inequitable. The Federal employee is not the cause of, nor does he have any control over, the increasing cost of medical care. Until or unless this problem of rising medical cost is attacked and solved separately there is no justification whatsoever in requiring the employee to pay all of the increased cost.

The bill now before us tackles this problem in a most reasonable and equitable manner. Beginning next January 1, and each year thereafter, the Government's contribution will be set at a level at which it will pay one-half of the total premium charges with the employee paying the remaining one-half.

Mr. Chairman, I would much prefer to see the Federal Government as an enlightened employer paying more of the employees' health benefits costs as is now done in private industry. However, recognizing the existing budgetary problems I feel that 50 percent is as far as we should go at this time. This is the very least we should do to keep this vital employee fringe benefit in pace with the times.

Again, I urge approval of H.R. 16968.

(Mr. CORBETT asked and was given permission to revise and extend his remarks.)

(Mr. SCOTT asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Chairman, I rise in support of this bill and join with the chairman in urging its passage. It is but one of many measures introduced to increase the Government contribution to health benefit coverage of Federal employees and annuitants. One bill would provide that the Government pay the entire cost of health benefits coverage and another would have the Government pay 50 percent when the bill was enacted, with a later increase to 75 percent and still later to assume the full cost of coverage. Government employee representatives appearing before our subcommittee urged that the full 100 percent cost of coverage be paid by the Government. They were advised, however, that their proposal was unrealistic and had little chance of becoming law.

On the other hand, the Chairman of the Civil Service Commission, in his testimony before the subcommittee, suggested the Government contribution be increased to 38 percent, or approximately the same percentage assumed by the Government when the health benefit program became effective on July 1, 1960.

The basic reason this bill is needed is that hospital and medical costs have risen substantially over the years, but the Government contribution has been on a fixed basis. Therefore, the increase in costs, over the years, for the most part, has been assumed by the employee.

The bill under consideration is a compromise between opposing views on how to meet a need. It provides for a substantial equal sharing of the cost of health benefits between the Government and the employee. The Government contribution of 50 percent toward the cost would be based on high option plans carried by approximately 84 percent of employees subscribing to all plans.

After public hearings, our subcommittee had informal discussions and executives sessions to attempt to come up with what we considered to be the fairest measure to both the employee and the Government. We concluded that an equal sharing of the cost of health benefits would be fair to both. Hospital and medical care costs are rising, and if this bill is enacted and becomes effective next January 1, it will add approximately $157 million to the cost of Government for the remainder of the fiscal year. However, the cost of medical care for Government employees will be the same whether or not the bill is enacted. Therefore, the question before us is what part of the cost of medical and hospital care should be provided by the Government and what portion should be assumed by the employee. Our committee favors this bill providing for an equal sharing between the Government and the employee. I believe it is a fair bill and urge its passage.

Mr. DANIELS of New Jersey. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. HENDERSON), a member of the committee.

(Mr. HENDERSON asked and was given permission to revise and extend his remarks.)

Mr. HENDERSON. Mr. Chairman, I rise in support of this vital legislation. The recognition of the necessity and importance of H.R. 16968, toward the solution of a problem too long neglected, will gain the gratitude of all Federal retirees and their dependents, who are the real victims of inflationary medical costs.

Health benefits are, without a doubt, one of the most important and necessary fringe benefits received by an active or retired employee. Not only does it affect the employee and retiree, but it also has a direct effect on the members of his family. It is a benefit he can ill afford to be without. However, the premiums have risen to a degree where they are becoming a burden almost too heavy to bear.

The Government's contribution to the payment of premiums is lagging and is not comparable to the pattern which has been adopted by private industry. Health benefits in private industry have been steadily improving over the past few years and now provide coverage for substantially all medical expenses. In most cases, especially in the larger companies,

the complete cost of benefit plans are paid for both hourly and salaried employees.

The latest statistics show that medical costs have shot up to an unbelievable height. Recent figures show costs ranging as high as $100 a day for semiprivate facilities.

The net result of the increased cost is that the premiums for hospital insurance have also been on the increase. The ultimate effect of this is to cause enrollees to experience what amounts to a "pay cut." By definition "pay cut" means Government salary or Government retirement pay has been reduced by the amount that must be paid to meet increased premium costs for medical and hospital insurance.

While the effect upon the actively employed is substantial, the impact on retired employees is even more serious. As a retired employee, a man receives a fixed amount of money in his annuity that is much lower than his income was as an employee, and upon this he must plan his future needs and existence, and the need for protection against the high cost of medical and hospitalization expenses. Premium payments for such protection continues to increase. Such increases become burdensome to the retiree since they continually lower his fixed income which is already heavily committed for his normal needs.

Our retired people cannot hope to pay much longer the premium that will be required of them. By the same reasoning, it is foreseeable that all plans under the Federal employees' health benefits program will be in serious financial trouble in the not too distant future, if the present benefit and premium structure applies to all subscribers, regardless of age or income levels.

In any case, Federal annuitants and employees are paying an extremely disproportionate share of the cost for health benefits, at a time when the trend in private industry has been toward the payment by the employer of the total cost of their workers' and pensioners' health insurance programs. Many of the larger companies in private industry now assume the complete cost and many small employers pay at least half of the cost of their personnel's health benefits premiums.

According to the latest available figures of those industries surveyed which had insurance plans, over 61 percent were employee-noncontributory for the basic hospitalization coverage and 60 percent were employee-noncontributory for surgical coverage. Even for the more unusual medical and catastrophic coverage, it was still true that a majority of those were employee-noncontributory plans. As it happens the latest data available from the Bureau of Labor Statistics is taken from a survey made in fiscal 1967–68. There is every reason to believe that the percentage just quoted are even higher today.

Consider the statistics on this subject from the Bureau of Labor Statistics of the Department of Labor. They have collected data on fringe benefits in private industry since the enactment of the Federal Salary Reform Act of 1962. The Department has regarded fringe benefits as a part of the Federal salary which the Congress intended to be comparable with private industry. The Bureau's first survey was conducted in 1963, and in the preface to its report on this subject the Bureau stated:

> As the Nation's largest employer, the Federal Government has an obligation to develop and maintain a sound program for compensating its employees—a program which is equitable both to the employees and to the country's taxpayers.
>
> It is recognized that basic salary normally is only part, although the major part, of total employee compensation. Particularly since World War II, a host of supplementary pay practices (commonly called fringe benefits) have become established as integral parts of the compensation package. Consequently the Bureau of the Budget and the Civil Service Commission, which share responsibilty for analyzing results of the Bureau of Labor Statistics salary survey and for preparing the President's recommendations to the Congress on Federal pay, expressed a need for data on supplementary pay in private industry. The Bureau of the Budget and the Civil Service Commission, therefore, requested the Bureau of Labor Statistics to conduct a study of supplementary compensation in private industry which could be analyzed in conjunction with the Bureau of Labor Statistics' salary survey.

The result of the latest study by the Bureau of Labor Statistics, of employer expenditures for pay supplements provided by private industry during 1968 showed that 25.1 percent of pay supplements of basic wages and salaries were paid as compared with 24.3 percent in the Federal Government. Between 1966 and 1968 expenditures for supplements relative to basic wages and salaries ascended upward by approximately one-half of a percentage point in each.

Another area of the Bureau of Labor Statistics survey, dealing with employee compensation in private industry for 1968, found that for that year management paid an amount equivalent to 3.6 percent of basic wages for life, accident, and health insurance, but in the Federal Government the Government paid only an amount equivalent to 1.6 percent of basic wages for this purpose. An advance of 0.3 of basic wages for life, accident, and health insurance was made as compared with 0.2 of a percentage point in the Federal Government for the same area.

As it stands now, the Federal employee is shouldering too large a part of the burden. Unless appropriate action is taken to relieve him of a part of this burden, by providing a more reasonable contribution by the Federal Government, as expressed in H.R. 16968, that burden will continue to become heavier. This fast pace will not only have a further depressing effect upon active employees, but will especially strike hard at annuitants, whose limited incomes make them particularly tragic victims of the high cost of medical goods and services.

Mr. Chairman, I urge that the Government assume its fair share of the load by the enactment of the legislation under consideration.

Mr. DANIELS of New Jersey. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BRASCO), a member of the committee.

Mr. BRASCO. Mr. Chairman, I rise to commend the distinguished Chairman of the Subcommittee, the gentleman from New Jersey, Mr. DANIELS, for his fine leadership in both the subcommittee and in the full committee in guiding this legislation to the House floor.

I fully support it.

Mr. Chairman, I stand to issue an urgent appeal to the House in expressing my total support of H.R. 16968. The Congress should take a hard look at the facts and give its full support to this legislation, for the much-needed relief from the burdens of the unbalanced share of medical expenditures which the employee in Federal Government, and the retiree from Federal service, has to face.

This legislation would provide a major improvement in the funding formula of the Federal employees' health benefits program, as originally adopted and as it presently exists. The original formula, established by the 1959 act, set the U.S. Government contribution at a maximum of $3.12 per pay period for its employees. Public Law 89–504, enacted in 1966, increased the contribution to a maximum of $4.10 per pay period. Unfortunately, the 1966 act continued the fixed-dollar contribution formula and, thus, was merely a temporary resolution of the cost problem for employees participating in the program.

When the Federal health program was enacted in 1959, it was anticipated that the majority of employees would elect coverage under low options. The general intent, based on the legislative history, would indicate that the Congress desired to set the Government's share of the cost at 50 percent. It was assumed that the majority of employees would elect the low option plan. It was the premise that this would, on the average, provide an adequate level of protection. The original Government contribution did cover 50 percent of low-option coverage. The vast majority of employees, however, elected coverage under high options. Quite evidently the majority recognized the desirability of securing the best health insurance protection available. Experience of the years has certainly demonstrated that it was wise to insure in high option. In each open-season enrollment period since the program started in 1960, the net result has shown a constant movement to high option, and it is estimated that more than 90 percent of all insured now hold high-option coverage. Thus, it is necessary for the Federal Government to establish a 50–50 split of costs based on high options, to provide adequate relief for the vast majority of those enrolled in this program.

The cost of medical care, surgery, and hospitalization has skyrocketed alarmingly since the enactment of the act, and corresponding increases in premium costs and additional types of coverage adopted by the private sector industry have necessitated a review of the program to determine what changes are appropriate and desirable after 10 years of experience. In 10 years of experience, the Government's share of the premium cost for very limited coverage has reduced to ap-

proximately one-third, while its share of more adequate coverage has reduced to almost one-fifth of total charges.

It is important to note that the major cost of premium increases has been due primarily to the spiraling costs of health care, and not to liberalizations or new coverages provided in the benefit structures. This fact was recently documented in a recent report prepared for the Civil Service Commission by Milliman & Robertson, Inc., a firm of consulting actuaries. In their analysis of the two Government-wide plans, they noted:

> Premium increases for both the Service Plan and the Indemnity Plan have been several times greater than the benefits added—about eight times greater for the high option plans and about three times greater for the low option plans. Thus, higher payments under the original benefit provisions have accounted for much of the additional premium needed.

This sharp increase in costs for the same benefits is primarily responsible for the sharp increase in premiums. Benefit changes have, of course, contributed somewhat to the cost problems. The Civil Service Commission has from time to time recommended and requested liberalization of benefits in order to provide a greater health care coverage in those areas where experience has shown a particular need. This has resulted in a few slight liberalizations of benefits within the plans.

Over the years the percentage contribution of costs by the Government has dwindled due to the limited liberalizations of benefits within the plan, greater utilization by the insureds, but, more importantly, due to the rise of health care costs—all of which have mandated increased rates.

From all information it appears at least for the next several years we will have a considerable increase in health benefits premiums. An annual adjustment in the cost-sharing to keep the 50–50 ratio should be made so that the financial burden will not hang completely on the employee, annuitant, and survivor as it has in the past. Such a proposed increase would represent substantial and worthwhile progress.

Therefore, I believe that justice would be well served if Congress moved to pass the equal employee-employer cost-sharing ratio prescribed by the committee in H.R. 16968.

(Mr. BRASCO asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I regret that again I must rise in opposition to another in what has come to be a succession of "giveaway" bills reported in this Congress from the House Committee on Post Office and Civil Service.

Quite simply and bluntly, I do not think the long-suffering American taxpayers can now afford the luxury of paying an additional $314 million per year toward the cost of health insurance for Federal employees including Members of Congress.

Regardless of how desirable it might sound for the Government to be paying a greater percentage of the costs of health benefits, I think it is equally desirable that we consider whether or not we can afford to do so, particularly in view of what we have already done in the way of pay and fringe benefits liberalizations.

Consider, if you will, our record in this area to date:

So far in this Congress the Post Office and Civil Service Committee has been responsible for the enactment of eight public laws. Three of these were relatively minor, dealing with the use of the Civil Service Commission's revolving fund, a study of the position classification system, and the franking privilege for Mrs. Eisenhower, widow of the late President.

However, the remaining five were not so minor, particularly as to their effects upon Government spending and the tax load carried by the average U.S. citizen.

Exactly 14 days after the 91st Congress convened, Congress approved a bill doubling the salary of the President from $100,000 to $200,000 per year.

That one was followed with a back-door pay increase for all Members of Congress, for all judges, and for all Federal executives. This was accomplished by the committee's refusal to permit the House to take a vote on the resolution I and other Members sponsored that would have disapproved the President's pay recommendations.

Next came a bill to give hefty pay raises to the Vice President, the Speaker of the House, and the majority and minority leaders of both the House and Senate.

Then, since it appeared that everything had been done that could be done to that moment with respect to pay, the committee turned its energies to sweetening the retirement programs for Federal employees, including Members of Congress. Under the guise of enacting urgently needed legislation to protect the financial solvency of the retirement fund, we enacted into law major improvements in everybody's retirement.

And then we closed out the first session by creating nearly 200 additional superjobs paying up to $35,000 a year.

The last enactment came in April of this year with another 6 percent across-the-board pay raise for all Federal employees, retroactive to last January 1.

This pay raise came fully 1 year earlier than it was budgeted, and involved a total cost to the Federal Government of $2½ billion.

And, I might add at this point that while not yet enacted into law, we have, in effect, "given away" the postal service in the so-called postal reform bill which passed this House just 2 weeks ago.

Mr. Chairman, in reciting this legislative record of my committee, I certainly have no intent to cast any unfavorable reflection upon the committee or any of its members, and I hope that my remarks are not so construed. However, I do so in an attempt to try to place into some perspective the legislation now before the House.

I submit that, regardless of its basic merits or demerits, in view of what this Congress has already done to provide improved pay and improved retirement for Federal employees, this additional costly benefit can at least wait until or unless we are in a better position to pay for it. Our Nation's economy is in too perilous a condition at this time for us to take the risk of adding another $314 million to the Federal deficit.

Additionally, Mr. Chairman, I would suggest that the committee undertake a more comprehensive and complete study of the entire Federal employees health benefits program to ascertain if the real answer to rising medical costs is, in fact, a continual increase in premiums.

I had hoped that the subcommittee would have gone into this subject more thoroughly when the announcement came that health benefits hearings were to commence. With a bewildering array of 38 health benefits plans, offering some 54 options all of which have administrative expenses and risk charges, it is quite possible that there is a much better way of providing Federal employees with superior health protection at a much more reasonable and stable cost.

However, this subject unfortunately was not explored and the subcommittee came up with the easy answer of requiring the Government to pay more and more of the total increases in costs.

Mr. Chairman, when we look at the overall picture of pay and fringe benefits for Federal employees and especially at the enactments to date in this Congress, I think the record clearly indicates it is now time to give the taxpayers a breather and that we should send this bill back to the committee.

Mr. SCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland (Mr. HOGAN).

(Mr. HOGAN asked and was given permission to revise and extend his remarks.)

Mr. HOGAN. Mr. Chairman, I was pleased to support the gentleman from Iowa on many of the matters to which he alluded during his remarks, but I am sure he does not expect the hard-working Federal employees to bear the total burden for the fiscal irresponsibility of this body.

We always seem to turn to the Federal employees and say, "We cannot afford this pay raise; we cannot afford this fringe benefit." But nowhere else do we seem prone to use the knife of fiscal responsibility to cut spending.

I strongly supported many of the measures which the gentleman from Iowa mentioned in an effort to cut down expenditures, including the pay raise for Congress, but I rise at this time to express my strong support of H.R. 16968 of which I am a cosponsor. I feel this bill will relieve insureds of the heavy financial burden which they presently bear.

When the Federal employees' health benefits program was being set up, it was thought that the Federal Government would pay aproximately one-half of the cost of the premium. The assumption

was that the majority of employees would opt for the low—rather than for the high benefit plans. However, the great majority, 85 percent currently, of employees choose the high-benefit option and the Federal Government's share of the cost was about 38 percent when the program became effective in 1960.

Since medical expenses have continually risen, the Government's share in 1966 was increased by 33 percent in order to restore the ratio which had existed when the program was inaugurated. Also, due to a greater awareness on the part of our citizens of health care, health services are being used more extensively. As a result, the rising cost of medical care has resulted in Federal employees paying an average of 76 percent of the cost of their premiums. For example, in 1960 the premium for the Blue Cross high option was $19.37. The current premium is $38.33 or 199 percent of the 1960 premium. Aetna's high-option premium, which was $17.46 in 1960, is now $44.94, or 257 percent of the 1960 premium. Consequently, the Federal Government now pays 24 percent of the total cost of the program, rather than the 38 percent it paid in 1960 or the 50 percent which was contemplated as the Federal payment when the program was established.

These figures point out a steadily deteriorating situation and demonstrate the urgency of relieving Federal employees and retirees of the entirely unfair, monumental burden of bearing the major share of continuously increasing medical rates.

The Congress has been committed for some years to the concept of Federal employee pay comparability with private industry pay. This concept necessarily should include Federal employee fringe benefits as compared with those in private industry. In the private sector today, in a majority of industries, management pays the entire amount of medical insurance premiums, and in the minority of those industry, plans to which the employees contribute, management pays over half of the cost. Year by year, it is the impression that the percentage of management contribution continues to increase. This is the direction in which our society is headed. In the Federal service, the employer pays far below one-half of the cost. This puts the Federal Government as an employer lagging for comparable practice.

Prevailing in private industry in years ahead the Federal Government will continue to be even more out of line.

It was my hope that the subcommittee would at this time give serious consideration to authorizing the Federal Government to pay 100 percent of the premium costs for certain minimum benefits as provided in my bill H.R. 10593.

On April 28, 1969, I introduced H.R. 10593 which would, as I said, authorize the Government to pay 100 percent of the cost of certain minimum benefits which would be provided for all employees, annuitants, and their families. I proposed that this would become the low-option plan which each carrier would make available at no cost to the employee. Each carrier would then be free to offer such additional benefits as it chose, with the employee paying all of the additional cost.

Inasmuch as my plan set a limit on the types of coverage to which the Government could contribute, it would not have tended to inflate the health benefits policies offered to Government employees, but would have continued to encourage the competition that now exists among the 36 plans serving Federal employees.

I am confident that the basic idea of this approach to providing health benefit coverage for Federal employees is sound and merits consideration.

Although the bill before us today does not take the same approach to the problem as I proposed, it is a sound step in the right direction.

Premium costs have increased between 1960 and 1968 without any significant increase in benefits; and the indication is that people were required also to almost double the amount of out-of-pocket cash they spent on medical care not reimbursed by insurance.

The reason, in my opinion, is to be found in the almost total neglect of the Federal Government to redeem its promises of 10 years ago to its employees. Only once during the past decade has the formula for the sharing of premium costs been adjusted. That was in 1966.

Except for some low-option plans and certain self-only enrollments, the contribution by the Federal Government has never equaled 50 percent of the total cost. In fact, it has never exceeded 38 percent for the overwhelming majority of employees, and now is at a threatening low of one-fourth of its original intention.

This lopsided apportionment of costs was not what the 86th Congress had in mind when it approved the act. The printed report that accompanied the bill at the time of its enactment included the following language:

> The committee recognized that the maximum amounts indicated could not remain unchanged over a long period of years, any more than the cost-of-living has remained frozen. Medical care costs will undoubtedly fluctuate at least as widely as other items of living costs. The committee believes that the Congress will continue to be responsible to the needs of the employees and will appropriately act to keep the proposed program in consonance with future developments.

I hope my colleagues will agree with me that simple justice requires that the Government reverse the trend of declining employer contributions to the Federal program.

I feel very strongly that the request for a more equitable participation in the matter of health insurance represents a reasonable request. The correction of this inequity is long overdue. The employees and retirees have been patient. One thing is certain—the problem is not going to yield to rhetoric alone. What is needed is positive action—now—to fulfill the commitment made by Government to its employees 10 years ago.

I hope the House will overwhelmingly pass this long overdue legislation to demonstrate to our dedicated Federal employees that we will keep faith with them.

Mr. OLSEN. Mr. Chairman, will the gentleman yield?

Mr. HOGAN. I yield to the gentleman from Montana.

Mr. OLSEN. I subscribe to a 100-percent employer payment. I wonder if the gentleman has any opinion as to what this administration would do about such a bill?

Mr. HOGAN. I assume the gentleman knows that the Civil Service Commission representatives of the administration testified in favor of 38 percent. So at this time I would think we would be correct in assuming that the administration would oppose a 100-percent plan.

Mr. OLSEN. So the gentleman thinks that would be impossible at this time?

Mr. HOGAN. I think it would be impossible at this time on the basis of the testimony taken by the subcommittee.

Mr. DANIELS of New Jersey. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Montana (Mr. OLSEN), a member of the committee.

(Mr. OLSEN asked and was given permission to revise and extend his remarks.)

Mr. OLSEN. Mr. Chairman, the Congress has long been committed to comparability in compensation to its employees, to their working conditions, their retirement benefits, and health benefits, and by that I mean comparability between Federal employees and employees in the private sector. This legislation is just a small step in the right direction.

There are some great businesses in our country that are comparable to the Federal Government in many areas that pay 100 percent of the health benefit premiums for their employees, and indeed there are leadership organizations in this country, large organizations comparable to some sectors of the Federal Government, who say 100 percent of the premiums for retirement for their employees.

Here is a small step going to 50 percent of the health benefits premiums for Federal employees.

Why is comparability important, Mr. Chairman? I want everybody to understand why comparability is important.

The main reason is that the Federal Government as an employer has to attract the best talent it can. We are in competition to attract the leadership in every classification, be they engineers, lawyers, letter carriers or clerks, we have to attract comparable talent. What we are doing is just one of the elements of comparability. As I say, it is a small step in that direction.

I think we ought to have that much pride, and to have that much of a progressive attitude in desiring comparable employees, so that we have if possible superior talent in every endeavor of the Federal Government, because we all know the Federal Government plays such an active part in almost every type of endeavor. That is the real reason. The real reason for comparability is so that the Federal Government as an employer can compete with the other great employer in the private sector of this country.

Mr. Chairman, I yield back the balance of my time.

Mr. SCOTT. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BUTTON).

(Mr. BUTTON asked and was given

permission to revise and extend his remarks.)

Mr. BUTTON. Mr. Chairman, I support this much-needed legislation, of which I am proud to be cosponsor.

The chief purpose of this legislation is to correct a problem too long unanswered. The problem I speak of is the unfair, unbalanced, out-of-proportion cost of premium charges of health benefits placed on the shoulders of the Federal employees and annuitants. I think it is quite clear that adjustment by the Government to a more proportionate sharing of premium charges is in order, as stated in H.R. 16968.

The Committee on Post Office and Civil Service believes the time is long overdue for the Government to begin catching up with private industry in providing fringe benefits to its employees. The committee has long felt that the Government should be a leader in all areas including pay, fringe benefits, and so forth, rather than constantly lagging behind. Members of Congress should be cognizant of the problems that exist and take corrective action.

Rises in hospital costs are averaging about 15 percent per year, and as a result, every single carrier has been compelled to increase premiums over the past few years for essentially the same benefits. The net practical effect has been annual pay cuts for employees, who are forced to pay substantial increases in premiums in order to maintain essential coverage.

As for health and hospitalization programs, the Federal employee is being treated not only as a second-class American citizen—he is treated far worse than citizens working in the private sector. And he is actually also worse off than 10 years ago, when the Federal employees' health benefits system was installed.

Public Law 86–362, establishing the Federal employees' health benefits system, shows clearly that the primary, original intent of the committees drafting that legislation, and of the Congress enacting it, was to provide to Federal employees a contributory health benefits system comparable to that available at that time to employees of large-scale private industry.

One would expect, from these clear expressions of congressional intent, that Federal employees are being provided with a health benefits program equal to that available to employees of large-scale private enterprise at the rate of a 50–50 split of the costs.

Despite action taken by the Post Office and Civil Service Committee and the Congress, the Government percentage of the contribution has steadily declined and now is less than 25 percent. This places a tremendous burden on all employees because of the constantly increasing costs of health insurance, with benefits increasing considerably less than the premiums.

This spread in the percentage of costs borne by the Government and the employee will continue to widen with the passage of time unless corrective legislation is enacted. It is vital, in improving the funding formula, that a new method be adopted which will eliminate any fixed dollar contribution on the part of the Government and assess a percentage of cost which will be automatically adjusted in line with experience of the plans.

Government calculations show that medical costs are rising faster than the total cost of living. A recent actuarial study of the Federal Employees' Health Benefits program indicates that health insurance premiums will double over the next decade. The study also suggests that the two Government-wide plans can be expected to increase premiums from 10 percent to 35 percent every 2 years between now and 1976, averaging between 20 and 25 percent.

Also to be considered is the burden placed on retirees, who must continue to pay the full premium beyond the age when employees in private industry are given free medicare hospital coverage. This is a rather severe penalty on retired employees who paid substantial premiums during their active working years, and now must continue to pay increasingly higher premiums for health benefits each year when their income is at its lowest.

With these tremendous increases facing us—in addition to the many increases already made in the health insurance premiums—it is of the utmost importance that legislation be enacted as quickly as possible to grant Federal employees and retirees immediate relief. Health insurance is extremely necessary, but the rapidly increasing premiums are making it very difficult for these dedicated persons to continue this important coverage.

It is, therefore, proper and desirable, Mr. Chairman, that the Government reexamine its position in order to more clearly align its obligation and responsibility to reflect the more progressive practices of private enterprise. Therefore, I strongly urge the adoption of H.R. 16968.

Mr. SCOTT. Mr. Chairman; I yield such time as he may consume to the gentleman from New York (Mr. FISH).

(Mr. FISH asked and was given permission to revise and extend his remarks.)

Mr. FISH. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this legislation, and wish to add my voice in commendation for the efforts of the committee. This legislation is needed, its concept is sound, it is equitable, and the Federal employees deserve no less.

Mr. MATSUNAGA. Mr. Chairman, in view of the upward spiral in health care costs generally, the relief for Federal employees contained in H.R. 16968 is sorely needed, and I therefore rise in support of that bill.

When this health insurance plan was first established by Congress over a decade ago, the goal was a 50–50 sharing of the total health premium cost between the Government and the individual insured. However, for a variety of reasons, the Federal share was limited to 50 percent of the premium for the lower priced, so-called standard policy.

It soon became clear that most Federal employees did not consider the low-option coverage adequate. Little wonder that this was so, Mr. Chairman, as health care costs skyrocketed during the sixties. Those who chose the more comprehensive "high option" policies were forced to bear the entire cost of the additional premium.

The net result is that, instead of paying close to half the cost of its employees' health insurance coverage, the Government share is today less than 25 percent.

H.R. 16968 reaffirms the Federal Government's intention to pay half the cost of its employees' health insurance. More important, it sets up a formula for computing the maximum Federal share that would allow that intention to be realized. That maximum, I believe, will be set at 50 percent of the average cost for high-option coverage among the various insurers involved. Automatic annual readjustments of the maximum are provided for.

According to the figures in the report of the Committee on Post Office and Civil Service, the benefit to individual Government employees will be both tangible and substantial. Currently, for example, the total premium for high-option benefits is about $40, with the Government contributing about $9 and the employee paying about $31. Under the provisions of this legislation, that $40 premium would be shared equally by the Government and the employee.

Passage of this measure is imperative if we are to make it clear that the Federal Government intends to match the efforts of private industry to provide low-cost health insurance coverage for employees. I therefore urge swift passage of H.R. 16968.

Mr. STRATTON. Mr. Chairman, I rise in support of H.R. 16968, legislation which I have joined in cosponsoring under my own name as H.R. 17472.

It is becoming increasingly difficult to attract competent employees to work for the Government, and one important reason is the fact that benefits offered to Government employees cannot compare with what private industry offers.

The bill now before us would help ease the burden of rising hospital and medical costs of Federal employees by requiring the Government to share equally the cost of their health benefits. Presently the Government pays only 24 percent of the premiums charged under the Federal Employee Health Benefits program, which is available to the nearly 2.5 million Federal employees, including some 600,000 postal workers.

I might point out that in 1960, the Government was contributing approximately 38 percent of the premiums but because inflation has caused medical costs to increase along with everything else, the Federal employees are now forced to pay 76 percent of the cost of health insurance, which takes a large chunk out of the family pay check.

By enacting this legislation, we will have moved one step closer to matching private industry's trend toward providing its workers cost-free health insurance.

Mr. DONOHUE. Mr. Chairman, I intend to support, and I earnestly hope that the great majority in this House will also support, the measure now before us,

H.R. 16968, designed to more equitably adjust the Government's contribution to the health benefits coverage of Federal employees and annuitants.

It is commonly agreed that the executive department and the Congress should cooperate in doing everything they reasonably can to encourage the recruitment of competent Federal employees. It is obvious that to recruit such personnel, the Federal Government, as an employer, must demonstrate a disposition of genuine concern for the welfare of the employee and his family, and also be in a position to compete with private industry for the highest qualified personnel.

One of the basic areas and elements that enters into such competition is, of course, the quality and the cost of essential health benefits coverage for employees, both while they work and when they are living in retirement.

While eminent authorities have testified on the point, it is common knowledge that the Federal Government, as a major employer, is way behind major private enterprise employers in this very important factor of employee benefit program and that major industrial employers are paying most, and in a great many cases all, of the cost of comparable health coverage benefits for their employees. If this great disparity in competitive benefit attraction, in such a basic area as health benefits coverage of employees and dependents, between the Federal Government and private enterprise, is permitted to continue, the Federal Government will inevitably lose the services of many highly competent and diligent potential employees.

In view of the great weight of the expert testimony, and by any other reasonable yardstick of judgment, the objectives of this bill are clearly in the national interest and I hope that the substance of this measure will be speedily and overwhelmingly approved.

Mr. SCOTT. Mr. Chairman, we have no further requests for time on our side.

Mr. DANIELS of New Jersey. Mr. Chairman, we have no further requests for time on our side.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United State of America in Congress assembled, That (a) section 8906(a) of title 5, United States Code, is amended to read as follows:

"(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted, beginning on the first day of the first pay period of each year, to an amount equal to 50 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefit pan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

(b) The amendment made by subsection (a) of this section shall become effective at the beginning of the first applicable pay period which commences after December 31, 1970.

SEC. 2. (a) Section 8901(3)(B) of title 5, United States Code, is amended to read as follows:

"(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;".

(b) Section 8901(3)(D)(i) of title 5, United States Code, is amended by striking out ", having completed 5 or more years of service,".

SEC. 3. (a) Section 8701(a)(B) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

(b) Section 8901(1)(ii) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

SEC. 4. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86–724) is amended as follows:

(1) Section 2(4) is amended by inserting immediately before the period at the end thereof a comma and the following: "and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act";

(2) Sections 4(a) and 6(a) are each amended by adding at the end thereof the following sentence: "The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act."; and

(3) Section 9 is amended by adding at the end thereof the following subsection:

"(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.".

(b) The amendments made by subsection (a) of this section shall become effective on January 1, 1971.

Mr. DANIELS of New Jersey (during the reading). Mr. Chairman, I ask unanimous consent that the entire bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 2, line 1, strike "50" and insert in lieu thereof "38."

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, the amendment I have offered will change the Government's contribution to the health benefits program from the 50 percent contained in the reported bill to 38 percent.

When the Federal employees' health benefits program commenced operations in 1960, the Government's share of the total premium cost worked out at 38 percent. When, because of constantly increasing premium charges the Government's share fell below the 38 percent level, it was again increased by law to 38 percent, by Public Law 89–504, in 1966. My amendment will again set the Government's share at 38 percent and keep it at that level in the future.

I would like to point out, Mr. Chairman, that over the years we have had generally consistent opposition from all administrations in the White House to increasing the Government's share of health benefits premiums. This year, however, the present administration did recognize that an inequity had developed, and instead of appearing before the committee and opposing any increase in the Government's share, the administration spokesmen suggested a formula whereby the Government would begin, and continue, to pay the historic 38 percent.

Instead of accepting the administration's recommendation, the committee went much further and set the rate at 50 percent. The cost to the Federal Government at 38 percent is $182 million; the cost at 50 percent is $314 million.

Mr. Chairman, while I would prefer to see action delayed upon this entire piece of legislation, at least until such time as we are in a better position to pay for it, I think the very least we can do at this time is to adopt my amendment which will cut the cost of this bill by $132 million. We cannot afford the luxury of going 50 percent at this time.

Mr. DANIELS of New Jersey. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa. As reported, the bill will relieve insureds of the heavy, financial burden which they presently bear. Any lowering of the percentage figure I feel would be detrimental and unfair to Federal employees.

When the Federal employees' health benefits program was being established, it was intended that the Federal Government would share equally with the employees and retirees the total costs of the necessary premiums. This, however, has never become reality and amounts to a broken promise. Acceptance of this amendment would not only fail to purify the conscience of Congress, but would continue the Federal Government in the role of somewhat less than a first-rate, progressive, model employer.

Since medical expenses have continually risen, the Government's share has decreased to 24 percent of the total cost of the program, rather than the 38 percent it paid in 1960, or the 50 percent which was contemplated as the Federal payment when the program was established.

The figures point out a steadily deteriorating situation and demonstrate the urgency of relieving Federal employees and retirees of the unfair burden of bearing the major share of continuously rambling medical rates. If this amendment is to be the answer, then the Federal employees have a right to be concerned and alarmed, for this amendment would surely perpetuate an inconscionable situation.

The Congress has been committed for some years to the concept of Federal employee pay comparability with private industry pay. This concept necessarily

includes Federal employee fringe benefits as compared with those in private industry. In the private sector today, a majority of industries management pays the entire amount of medical insurance premiums, and in the minority of those industry plans to which the employees contribute, management pays over half of the cost. Year by year, it is the impression that the percentage of management contribution continues to increase. This is the direction in which our society is headed. A proposal that, in the Federal service, the employer pays far below one-half of the cost simply follows behind comparable practice prevailing in private industry, and in years henceforth will continue to be even more out of line. Yet we are offered an amendment that would not put us in step, but merely hamper progress and keep us in a backward stage of health benefits program development.

Premium costs have increased between 1960 and 1968 without any significant increase in benefits; and the indication is also that people were additionally required to almost double that amount of out-of-pocket cash they spent on medical care not reimbursed by insurance. A continuation of this practice is unacceptable; and to offer token appeasement, as this amendment suggests, is to play havoc with the lives of Federal employees.

The Government has almost totally neglected to redeem its promises of 10 years ago to employees. Only once during the past decade has the formula for sharing of premium been adjusted. That was in 1966. Otherwise it was a decade of "benign neglect."

Except for some low-option plans and certain self-only enrollments, the contribution by Government has never been equal to 50 percent of the total cost. In fact, it has never exceeded 38 percent for the overwhelming majority of employees, and now is at a threatening low of one-fourth of its original intention.

This lopsided apportionment of costs was not what the 86th Congress had in mind in approving the act. The printed report that accompanied the bill at enactment included the following:

> The Committee recognized that the maximum amounts indicated could not remain unchanged over a long period of years, any more than the cost of living has remained frozen. Medical care costs will undoubtedly fluctuate at least as widely as other items of living costs. The Committee believes that the Congress will continue to be responsible to the needs of the employees and will appropriately act to keep the proposed program in consonance with future developments.

I believe sincerely that simple justice requires that the Government reverse the trend of declining employer contributions to the Federal program. I urge this body to reject this amendment, which would deny employees the 50–50 ratio Congress promised in 1960, and which we are attempting to deliver today.

I feel very strongly that the request for a fair shake in the matter of health insurance represents a reasonable request. The correction being proposed is long overdue. What is needed is positive action—now—to fulfill the commitment made by Government to its employees 10 years ago. I urge the defeat of any amendment that would deny this promise.

Mr. SCOTT. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Virginia is recognized.

Mr. SCOTT. Mr. Chairman, this bill without the amendment provides for a 50–50 sharing of cost between the Government and the employee. It is a compromise measure. The amendment, as I understand it, would reduce the 50 percent the Government would contribute to 38 percent.

This is an unfair amendment insofar as the Government employee is concerned. We have had other bills before our committee that would have the Government pay the entire 100 percent cost of health benefits. One bill considered would have 50 percent payment by the Government for the first period of time with a later 75 percent contribution by the Government, and still later 100 percent.

Mr. Chairman, I might mention that the Bureau of Labor Statistics, in a release dated May 18, 1970, indicated that the fringe benefits, the amount paid for life, accident, and health insurance by private industry, averages 3.6 percent over and above the base salary of the employee whereas the Government pays only 1.6 percent in fringe benefits, which indicates the Government is lagging considerably behind private industry in this field.

It is my understanding that the Government today contributes roughly 24 percent of the cost of health benefits. It seems reasonable to me, however, that contribution between Government and employees should be on an equal, a share-and-share-alike basis, between the Government and the employee. Therefore, I urge defeat of the amendment.

Mr. HOGAN. Mr. Chairman, I rise in opposition to the amendment.

(Mr. HOGAN asked and was given permission to revise and extend his remarks.)

Mr. HOGAN. Mr. Chairman, I rise in opposition to the amendment proposed by the gentleman from Iowa. As the bill presently stands it will, to some degree, help Federal employees to reach the level of health insurance benefits offered by private American employers.

The inescapable trend in private employment has been directionally pointed toward noncontributory health insurance plans. While the Federal employee knows that the Government is unable to grant him a noncontributory health program at this time, he would humbly accept the provisions of H.R. 16968.

This bill should be left untampered with, so that it can promote a moderate measure of relief to some of the financial burdens of employees and annuitants. If passed in its reported form, it will be a landmark in Government health benefits. It will restore some sensibility to the ridiculous imbalance which now exists.

The proposed amendment does little to modernize the present health benefits program. Something on a larger scale must be done now to alleviate the hardships that medical costs have brought to Federal employees and retirees. If adopted, the amendment is but one more failure to respond to Federal employee needs. Fifty percent is a small price to ask when consideration is made of the trends in private industry, the increased cost of living, and the increased medical care cost. What the question boils down to is whether Congress will allow a continuation of a "horse-and-buggy" health benefits program, or whether it will make a positive move for a trade-in on something a little more dependable and modern.

When Congress adopted the present insurance program in 1960, the promise of equal sharing between Federal employees and the Federal Government was the intention. However, this intention has never materialized, and adoption of this proposed amendment would further undermine the original congressional intent.

This amendment, by decreasing the proposed legislation, would merely perpetuate the already flagrant inequity that has been leveled on Federal employees by the Government.

By reason of periodic increases in premiums, brought on mainly by rises in medical care costs, and the failure of Government to be responsive to the needs of employees, the employee has been obliged to absorb practically the entire amount of these periodic premium raises. The situation today finds the average Federal employee worse off than he was 10 years ago when the law was enacted. This amendment would involve only a small percentage of what is necessary to be done, and if it is adopted, it will be outmoded upon acceptance.

The amendment offered is a negating factor in all conceivable ways. I urge that it be rejected.

Mr. HENDERSON. Mr. Chairman, I rise in opposition to the amendment.

(Mr. HENDERSON asked and was given permission to revise and extend his remarks.)

Mr. HENDERSON. Mr. Chairman, I rise in objection to the proposed amendment. The Congress should take a long look at the facts and give its full support to the legislation without amendment. The burdens of the unbalanced share of medical expenditures which the employee in Federal Government, and the retiree from Federal service, has to face cannot be met by a compromise to a lesser figure.

This legislation, as approved by your committee, would provide a major improvement in the funding formula of the Federal employees' health benefits program, as originally adopted and as it presently exists. To accept this amendment would provide only a minor improvement to an evergrowing problem, one that is not substantial enough to match the present trends in private industry or the needs of Federal retirees and employees.

When the Federal health program was enacted in 1959, it was anticipated that the majority of employees would select coverage under low options. The general intent, based on the legislative history, would indicate that the Congress desired

to set the Government's share of the cost at 50 percent. However, the vast majority of employees elected coverage under high options, making it evident the majority recognized the necessity of securing the best health coverage available. In each open season since the program began in 1960, the net result has shown a constant movement to high option, and it is estimated that more than 90 percent of all persons insured now hold high-option coverage. Therefore, I think it is necessary for the Federal Government to establish a 50–50 share of costs based on high options, rather than compromise by amendment to a figure unfair to the vast majority of those enrolled in this program.

Under Public Law 86–382, passed in 1959, the Federal employee has consistently paid from two-thirds to three-fourths of the entire premium costs. This denitely was not the intention of the 86th Congress in approving the measure, and it definitely should not be the intention of the 91st Congress by accepting the amendment.

The first, last, and only adjustment made in the Government's share of the total premium cost was in 1966. The biweekly contribution for high option, family plan increased from $3.12 to $4.10 or about 31 percent. This during a period when, as indicated, medical expenses increased by 52 percent. Are we going to stand by and accede to an amendment comparable in degree to the action taken in 1966? The answer should be definitely not.

The cost of medical care, surgery, and hospitalization has skyrocketed progressively since the enactment of the act, and corresponding increases in premium costs and additional types of coverage adopted by the private sector industry have made necessary a review of the program to determine what changes are appropriate and desirable after ten years of experience. In my opinion, H.R. 16968 is the minimal answer to the change needed in the program. To establish a lesser ratio, as proposed in this amendment, would be unjust and unharmonious with the cost of medical care, surgery, and hospitalization.

Government calculations indicate medical costs have been rising faster than the total cost of living. A recent actuarial study of the Federal Employee's Health Benefits program indicates that health insurance premiums will double over the next decade. When faced with this study, can the Congress consider such a proposed amendment featuring a lesser ratio of Government and employee sharing? The study also indicates that the two Government-wide plans can be expected to increase premiums from 10 percent to 35 percent every 2 years between now and 1976, with biannual increases averaging between 20 and 25 percent. What further proof is needed to invalidate the amendment offered?

A comparison between what the Federal Government pays and what private employees pay for the health benefits programs has been made by the Bureau of Labor Statistics. It is expressed in terms of a percentage of basic wages and salaries. The contrast is striking. According to the latest figures, some 3.6 percent of private wages are allocable to health benefits programs, whereas the Federal Government's expenditure for the same benefits is only 1.6 percent of wages. This comparison further demonstrates the need for H.R. 16968 to be adopted without any reduction in the percentage rate recommended by your committee.

Should there be a mere 5 percent improvement in benefits in 1971, 1973, and 1975, the annual premium would increase to over $900. Unless the Government's contribution toward premium is increased from the present yearly legal maximum of $106.56—26 pay periods times $4.10—I wonder how many of the 2½ million employees and their 5½ million dependents will be able to afford health insurance 2, 3, or 5 years hence? Sure, the amendment would provide relief, but why do a poor job when a good job is better?

Also to be considered is the burden placed on retirees, who must continue to pay appreciable premiums beyond the age when employees in private industry are given free medicare hospital coverage. While this amendment would alleviate this problem to a small degree, its adoption would place a severe penalty on retired employees who have paid substantial premiums during their active working years, and then must continue to pay a large percentage of the premiums for health benefits each year when their income is at its lowest.

The time is long overdue for the Government to begin catching up with private industry in the area of providing fringe benefits to its employees. The Committee on Post Office and Civil Service has long felt that the Government should be a leader in all areas including pay, fringe benefits, and so forth rather than subscribing to a policy of being a poor follower.

Therefore, Mr. Chairman, I urge the House to unanimously reject the proposed amendment.

Mr. OLSEN. Mr. Chairman, I rise in opposition to the amendment.

(Mr. OLSEN asked and was given permission to revise and extend his remarks.)

[Mr. OLSEN addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. ADDABBO. Mr. Chairman, I rise in opposition to the amendment.

(Mr. ADDABBO asked and was given permission to revise and extend his remarks.)

Mr. ADDABBO. Mr. Chairman, I rise in opposition to the Gross amendment and in support of the committee bill. I have long called for a greater Government contribution toward health benefits for our Federal employees. Although the present bill increases that contribution, it still is far from comparable to that provided for by private industry.

The Gross amendment would further turn back the clock and increase discrimination against our Federal employees. I sincerely hope that this is only a start toward increasing the fringe benefits to which our Federal employees are entitled and have long waited for. I ask my colleagues to vote down this amendment and support the bill without any amendments.

Mr. DULSKI. Mr. Chairman. I rise in opposition to the amendment offered by the gentleman from Iowa.

Mr. Chairman, when the health plan was enacted in 1959, the intent was for the Federal Government to pay 50 percent of the costs of coverage. Rising costs of health benefits have been the leading factor in bringing about an inequitable ratio between employer and employee costs.

One of the undesirable results of the passage of Public Law 86–382, generated 10 years ago, has been a formula whereby the employee has consistently paid two-thirds or more of the entire premium costs. This definitely was not the intention of the 86th Congress in approving the measure. The clear intent was no less than a 50–50 sharing of costs.

Medical care costs have increased during those 10 years since the passage of Public Law 86–382. They have not only matched the increases in all other items; they have outrun them by a great margin.

From 1960 through January of 1969, the Bureau of Labor Statistics reports that the Consumer Price Index for all items in the index budget increased slightly less than 25 percent.

During that same period, the amount of all medical care items increased by 52 percent. Contributing factors to that amazing figure include a 55 percent increase in physicians' fees and a 155 percent increase in hospital daily charges. Only charges for prescription drugs remained relatively stable during the same period.

The Bureau of Labor Statistics also reported that about two-thirds of the employers with contributory arrangements paid over half the cost of hospitalization, surgical and medical plans.

The first, last, and only adjustment made in the Government's share of the total premium cost was in 1966. The biweekly contribution for high option, family plan increased from $3.12 to $4.10 or about 31 percent. This during a period when, as indicated, medical expenses increased by 52 percent.

Unless steps are taken to determine who is going to insure the retired Federal employee, and how his insurance is going to be financed, it is a reasonable prediction that: First, Federal annuitants are soon going to be priced out of the health insurance market; or, Second, the Federal Employees' Health Benefits program, as we now know it, will cease to exist.

Retirees pay the same premium and receive precisely the same benefits as active employees. There are two things wrong with that kind of setup. In the first place, the Federal retiree can ill afford a monthly premium ranging from $25 to $35 and up for practically the same insurance protetcion the average married citizen at age 65 has been getting under medicare for $8 per month.

Certainly, cost is a relevant factor—along with all the other factors militating the achievement of economic justice for Federal workers and annuitants, and fulfillment of the fundamental pledge of comparability. The key to reducing prices

is not a stubborn resistance to any enlargement of the Government's premium obligations. The wiser course would be for the Government to bend its efforts, in meaningful ways, to slow down the spiraling costs of medical services.

The cruel reality is that a workingman today simply cannot afford a serious illness, the end value of which is often bankruptcy and death. The workingman—any person of moderate means—receives only rudimentary medical attention and is prostrate for considerably longer financially than he is medically.

Mr. Chairman, I therefore urge the overwhelming rejection of the proposed amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The amendment was rejected.

The CHAIRMAN. Are there further amendments?

Mr. DANIELS of New Jersey. Mr. Chairman, there are no further amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BROOKS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 16968) to provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes, pursuant to House Resolution 1078, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. In its present form I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit..

The Clerk read as follows:

Mr. GROSS moves to recommit the bill H.R. 16968 to the Committee on Post Office and Civil Service with instructions to report it back forthwith with the following amendment:

On page 2, line 1, strike "50" and insert in lieu thereof "38."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 147, nays 199, not voting 85, as follows:

[Roll No. 211]

YEAS—147

Abbitt	Foreman	O'Neal, Ga.
Abernethy	Fountain	Passman
Adair	Frelinghuysen	Pettis
Anderson, Calif.	Frey	Pickle
Andrews, Ala.	Fuqua	Poage
Arends	Goldwater	Poff
Ayres	Goodling	Price, Tex.
Baring	Gross	Quie
Belcher	Grover	Reid, Ill.
Berry	Gubser	Rhodes
Betts	Haley	Robison
Blackburn	Hall	Roth
Bow	Hammer-schmidt	Rousselot
Bray	Hansen, Idaho	Ruth
Burleson, Tex.	Hastings	Sandman
Burton, Utah	Hosmer	Satterfield
Cabell	Hull	Schadeberg
Camp	Hutchinson	Scherle
Casey	Ichord	Schmitz
Chamberlain	Johnson, Pa.	Schneebeli
Chappell	Jonas	Schwengel
Clancy	Keith	Sebelius
Clawson, Del	King	Shriver
Collier	Landgrebe	Sikes
Collins	Landrum	Skubitz
Colmer	Langen	Smith, Calif.
Conable	Latta	Smith, N.Y.
Conte	Lloyd	Snyder
Coughlin	Lujan	Springer
Cowger	McClory	Steiger, Ariz.
Crane	McClure	Steiger, Wis.
Daniel, Va.	McMillan	Stubblefield
Davis, Wis.	Mahon	Talcott
Dellenback	Mailliard	Teague, Calif.
Dennis	Mann	Teague, Tex.
Derwinski	Marsh	Thompson, Ga.
Dickinson	Martin	Thomson, Wis.
Dorn	Mathias	Vander Jagt
Dowdy	May	Watson
Duncan	Mayne	Watts
Dwyer	Michel	Whalley
Edwards, Ala.	Miller, Ohio	Widnall
Erlenborn	Minshall	Wiggins
Esch	Mizell	Williams
Fisher	Montgomery	Winn
Flowers	Mosher	Wold
Flynt	Natcher	Wolff
Foley	Obey	Wyman
Ford, Gerald R.	O'Konski	Zion

NAYS—199

Addabbo	Daniels, N.J.	Hathaway
Albert	Davis, Ga.	Hawkins
Alexander	de la Garza	Hays
Annunzio	Delaney	Hechler, W. Va.
Ashley	Donohue	Helstoski
Barrett	Downing	Henderson
Bennett	Dulski	Hogan
Bevill	Eckhardt	Holifield
Biaggi	Edmondson	Howard
Biester	Edwards, Calif.	Hungate
Bingham	Eilberg	Hunt
Blanton	Eshleman	Jacobs
Blatnik	Evans, Colo.	Jarman
Boggs	Evins, Tenn.	Johnson, Calif.
Boland	Fallon	Jones, Ala.
Bolling	Fascell	Jones, N.C.
Brademas	Feighan	Karth
Brasco	Fish	Kastenmeier
Brinkley	Flood	Kazen
Brooks	Ford, William D.	Kee
Brotzman	Friedel	Kluczynski
Brown, Mich.	Fulton, Pa.	Koch
Brown, Ohio	Fulton, Tenn.	Kyl
Broyhill, N.C.	Galifianakis	Kyros
Broyhill, Va.	Gallagher	Lennon
Buchanan	Garmatz	Long, Md.
Burke, Fla.	Giaimo	Lowenstein
Burke, Mass.	Gibbons	Lukens
Burlison, Mo.	Gonzalez	McDade
Burton, Calif.	Gray	McFall
Button	Green, Pa.	McKneally
Byrne, Pa.	Griffin	Macdonald, Mass.
Clark	Gude	Madden
Clay	Hagan	Matsunaga
Cleveland	Halpern	Meeds
Cohelan	Hamilton	Melcher
Conyers	Hanley	Mikva
Corbett	Harrington	Miller, Calif.
Corman	Harsha	Minish
Culver	Harvey	Mink
Daddario	Hechler, W. Va.	Mollohan
Dawson	Helstoski	Monagan
Delaney	Henderson	Moorhead
Denney	Hogan	Morgan
Dent	Holifield	Morse
Devine	Howard	Moss
Diggs	Hungate	Murphy, Ill.
Dingell	Hunt	Murphy, N.Y.
Donohue	Jacobs	Nichols
Downing	Jarman	Nix
Dulski	Johnson, Calif.	O'Hara
Eckhardt	Jones, Ala.	Olsen
Edmondson	Jones, N.C.	O'Neill, Mass.
Edwards, Calif.	Karth	Ottinger
Eilberg	Kastenmeier	Patman
Eshleman	Kazen	Patten
Evans, Colo.	Kee	Pelly
Evins, Tenn.	Kluczynski	Perkins
Fallon	Koch	Philbin
Fascell	Kyl	Pike
Feighan	Kyros	Pirnie
Fish	Lennon	Preyer, N.C.
Flood	Long, Md.	Price, Ill.
Ford, William D.	Lowenstein	Pucinski
Friedel	Lukens	Purcell
Fulton, Pa.	McDade	Railsback
Fulton, Tenn.	McFall	Rees
Galifianakis	McKneally	Reid, N.Y.
Gallagher	Macdonald, Mass.	Reuss
Garmatz	Madden	Riegle
Giaimo	Matsunaga	Roberts
Gibbons	Meeds	Rodino
Gonzalez	Melcher	Roe
Gray	Mikva	Rogers, Fla.
Green, Pa.	Miller, Calif.	Rooney, N.Y.
Griffin	Minish	Rooney, Pa.
Gude	Mink	Rosenthal
Hagan	Mollohan	Rostenkowski
Halpern	Monagan	Roudebush
Hamilton	Moorhead	Roybal
Hanley	Morgan	Ruppe
Harrington	Morse	Ryan
Harsha	Moss	St Germain
Harvey	Murphy, Ill.	Scheuer
Hathaway	Murphy, N.Y.	Scott
Hawkins	Nichols	Smith, Iowa
Hays	Nix	Stafford
Hechler, W. Va.	O'Hara	Staggers
Helstoski	Olsen	Stanton
Henderson	O'Neill, Mass.	Steed
Hogan	Ottinger	Stephens
Holifield	Patman	Stokes
Howard	Patten	Stuckey
Hungate	Pelly	Sullivan
Hunt	Perkins	Symington
Jacobs	Philbin	Taylor
Jarman	Pike	Thompson, N.J.
Johnson, Calif.	Pirnie	Tiernan
Jones, Ala.	Preyer, N.C.	Tunney
Jones, N.C.	Price, Ill.	Udall
Karth	Pucinski	Ullman
Kastenmeier	Purcell	Van Deerlin
Kazen	Railsback	Vanik
Kee	Rees	Vigorito
Kluczynski	Reid, N.Y.	Waggonner
Koch	Reuss	Waldie
Kyl	Riegle	Wampler
Kyros	Roberts	Watkins
Lennon	Rodino	Whalen
Long, Md.	Roe	White
Lowenstein	Rogers, Fla.	Whitehurst
Lukens	Rooney, N.Y.	Wright
McDade	Rooney, Pa.	Wydler
McFall	Rosenthal	Yates
McKneally	Rostenkowski	Yatron
Macdonald, Mass.	Roudebush	Young
Madden	Roybal	Zablocki
Matsunaga	Ruppe	Zwach
Meeds	Ryan	
Melcher	St Germain	
Mikva	Scheuer	
Miller, Calif.	Scott	
Minish	Smith, Iowa	
Mink	Stafford	
Mollohan	Staggers	
Monagan	Stanton	
Moorhead	Steed	
Morgan	Stephens	
Morse	Stokes	
Moss	Stuckey	
Murphy, Ill.	Sullivan	
Murphy, N.Y.	Symington	
Nichols	Taylor	
Nix	Thompson, N.J.	
O'Hara	Tiernan	
Olsen	Tunney	
O'Neill, Mass.	Udall	
Ottinger	Ullman	
Patman	Van Deerlin	
Patten	Vanik	
Pelly	Vigorito	
Perkins	Waggonner	
Philbin	Waldie	
Pike	Wampler	
Pirnie	Watkins	
Preyer, N.C.	Whalen	
Price, Ill.	White	
Pucinski	Whitehurst	
Purcell	Wright	
Railsback	Wydler	
	Yates	
	Yatron	
	Young	
	Zablocki	
	Zwach	

NOT VOTING—85

Adams	Dingell	Mills
Anderson, Ill.	Edwards, La.	Mize
Anderson, Tenn.	Farbstein	Morton
Andrews, N. Dak.	Findley	Myers
Ashbrook	Fraser	Nedzi
Aspinall	Gaydos	Nelsen
Beall, Md.	Gettys	Pepper
Bell, Calif.	Gilbert	Podell
Brock	Green, Oreg.	Pollock
Broomfield	Griffiths	Powell
Brown, Calif.	Hanna	Pryor, Ark.
Bush	Hansen, Wash.	Quillen
Byrnes, Wis.	Hébert	Randall
Caffery	Heckler, Mass.	Rarick
Carey	Hicks	Reifel
Carter	Horton	Rivers
Cederberg	Jones, Tenn.	Rogers, Colo.
Celler	Kirwan	Saylor
Chisholm	Kleppe	Shipley
Clausen, Don H.	Kuykendall	Sisk
Cramer	Leggett	Slack
Cunningham	Long, La.	Stratton
Dawson	McCarthy	Taft
Denney	McCloskey	Weicker
Dent	McCulloch	Whitten
Devine	McDonald, Mich.	Wilson, Bob
Diggs	McEwen	Wilson, Charles H.
	MacGregor	Wyatt
	Meskill	Wylie

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Anderson of Illinois.
Mr. Mills with Mr. Devine.
Mr. Casey with Mr. Cederberg.
Mr. Aspinall with Mr. Andrews of North Dakota.
Mr. Whitten with Mr. Morton.
Mr. Rogers of Colorado with Mr. McDonald of Michigan.
Mr. Podell with Mr. Dawson.
Mr. Caffery with Mr. Ashbrook.
Mr. Pryor of Arkansas with Mr. Carter.
Mr. Rarick with Mr. Don H. Clausen.
Mr. Dingell with Mr. Beall.
Mr. Long of Louisiana with Mr. McCulloch.
Mr. Pepper with Mr. Cramer.
Mr. Charles H. Wilson with Mr. Nelsen.
Mr. Gettys with Mr. Cunningham.
Mr. Hicks with Mr. Denney.
Mr. Dent with Mr. Quillen.
Mr. Nedzi with Mr. Broomfield.
Mr. Celler with Mr. Horton.
Mr. Leggett with Mr. Powell.
Mr. Jones of Tennessee with Mr. Kleppe.
Mr. Gaydos with Mr. McEwen.
Mr. Gilbert with Mr. Bell of California.
Mr. Shipley with Mr. Findley.
Mr. Stratton with Mr. Pollock.
Mr. Sisk with Mr. Byrnes of Wisconsin.
Mrs. Griffiths with Mrs. Heckler of Massachusetts.
Mr. Farbstein with Mr. MacGregor.
Mr. Randall with Mr. Kuykendall.
Mr. Edwards of Louisiana with Mr. Brock.
Mr. Slack with Mr. Mize.
Mr. McCarthy with Mr. Meskill.

Mr. Brown of California with Mr. Diggs.
Mr. Adams with Mr. McCloskey.
Mr. Anderson of Tennessee with Mr. Bush.
Mr. Fraser with Mrs. Chisholm.
Mr. Kirwan with Mr. Reifel.
Mrs. Green of Oregon with Mr. Saylor.
Mr. Hanna with Mr. Taft.
Mrs. Hansen of Washington with Mr. Weicker.
Mr. Rivers with Mr. Wyatt.
Mr. Myers with Mr. Wylie.

Messrs. FOLEY, BRAY, and WIDNALL changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 284, nays 57, not voting 90, as follows:

[Roll No. 212]

YEAS—284

Abbitt	Eckhardt	Karth
Adair	Edmondson	Kastenmeier
Addabbo	Edwards, Calif.	Kazen
Albert	Eilberg	Kee
Alexander	Esch	Keith
Anderson, Calif.	Eshleman	Koch
	Evans, Colo.	Kyl
Annunzio	Evins, Tenn.	Kyros
Ashley	Fascell	Lennon
Ayres	Feighan	Lloyd
Barrett	Fish	Long, Md.
Belcher	Fisher	Lowenstein
Bennett	Flood	Lukens
Betts	Flowers	McClure
Bevill	Foley	McDade
Biaggi	Ford, Gerald R.	McFall
Biester	Ford, William D.	McKneally
Bingham		McMillan
Blanton	Frelinghuysen	Macdonald, Mass.
Boggs	Frey	
Boland	Friedel	Madden
Bolling	Fulton, Pa.	Mahon
Bow	Fulton, Tenn.	Mailliard
Brademas	Fuqua	Marsh
Brasco	Galifianakis	Martin
Bray	Gallagher	Mathias
Brinkley	Garmatz	Matsunaga
Brooks	Giaimo	May
Brotzman	Gibbons	Meeds
Brown, Mich.	Gonzalez	Melcher
Brown, Ohio	Goodling	Mikva
Broyhill, N.C.	Gray	Miller, Calif.
Broyhill, Va.	Green, Oreg.	Minish
Buchanan	Green, Pa.	Mink
Burke, Fla.	Griffin	Minshall
Burke, Mass.	Grover	Mollohan
Burlison, Mo.	Gubser	Monagan
Burton, Calif.	Gude	Moorhead
Button	Hagan	Morgan
Byrne, Pa.	Haley	Morse
Cabell	Halpern	Mosher
Chamberlain	Hamilton	Moss
Chappell	Hammer-schmidt	Murphy, Ill.
Chisholm		Murphy, N.Y.
Clancy	Hanley	Natcher
Clark	Hanna	Nichols
Clay	Hansen, Idaho	Nix
Cleveland	Harrington	Obey
Cohelan	Harsha	O'Hara
Collier	Harvey	O'Konski
Collins	Hastings	Olsen
Conable	Hathaway	O'Neal, Ga.
Conte	Hawkins	O'Neill, Mass.
Conyers	Hays	Ottinger
Corbett	Hechler, W. Va.	Passman
Corman	Helstoski	Patman
Coughlin	Henderson	Patten
Cowger	Hogan	Pelly
Culver	Hosmer	Perkins
Daddario	Howard	Pettis
Daniel, Va.	Hull	Philbin
Daniels, N.J.	Hungate	Pickle
Davis, Ga.	Hunt	Pike
de la Garza	Hutchinson	Pirnie
Delaney	Ichord	Poff
Donohue	Jacobs	Preyer, N.C.
Dorn	Jarman	Price, Ill.
Dowdy	Johnson, Calif.	Purcell
Downing	Johnson, Pa.	Quie
Dulski	Jones, Ala.	Railsback
Dwyer	Jones, N.C.	Rees
Reid, N.Y.	Shriver	Ullman
Reuss	Sikes	Van Deerlin
Rhodes	Slack	Vander Jagt
Riegle	Smith, Calif.	Vanik
Roberts	Smith, Iowa	Waggonner
Robison	Snyder	Waldie
Rodino	Stafford	Wampler
Roe	Staggers	Watkins
Rogers, Fla.	Stanton	Watson
Rooney, N.Y.	Steed	Whalen
Rooney, Pa.	Steiger, Wis.	Whalley
Rosenthal	Stephens	White
Rostenkowski	Stokes	Whitehurst
Roth	Stubblefield	Widnall
Roudebush	Stuckey	Wiggins
Roybal	Sullivan	Williams
Ruth	Symington	Wolff
Ryan	Talcott	Wright
St Germain	Taylor	Wydler
Sandman	Teague, Calif.	Yates
Satterfield	Teague, Tex.	Yatron
Scheuer	Thompson, N.J.	Young
Schneebeli	Tiernan	Zablocki
Schwengel	Tunney	Zion
Scott	Udall	Zwach

NAYS—57

Abernethy	Edwards, Ala.	Mizell
Andrews, Ala.	Erlenborn	Montgomery
Arends	Flynt	Poage
Baring	Foreman	Price, Tex.
Berry	Fountain	Reid, Ill.
Blackburn	Goldwater	Rousselot
Burleson, Tex.	Gross	Schadeberg
Burton, Utah	Hall	Scherle
Camp	Jonas	Schmitz
Carter	King	Sebelius
Clawson, Del	Landgrebe	Skubitz
Colmer	Landrum	Smith, N.Y.
Crane	Langen	Springer
Davis, Wis.	Lujan	Steiger, Ariz.
Dellenback	McClory	Thomson, Wis.
Dennis	Mann	Watts
Derwinski	Mayne	Winn
Dickinson	Michel	Wold
Duncan	Miller, Ohio	Wyman

NOT VOTING—90

Adams	Fallon	Morton
Anderson, Ill.	Farbstein	Myers
Anderson, Tenn.	Findley	Nedzi
	Fraser	Nelsen
Andrews, N. Dak.	Gaydos	Pepper
	Gettys	Podell
Ashbrook	Gilbert	Pollock
Aspinall	Griffiths	Powell
Beall, Md.	Hansen, Wash.	Pryor, Ark.
Bell, Calif.	Hébert	Pucinski
Blatnik	Heckler, Mass.	Quillen
Brock	Hicks	Randall
Broomfield	Holifield	Rarick
Brown, Calif.	Horton	Reifel
Bush	Jones, Tenn.	Rivers
Byrnes, Wis.	Kirwan	Rogers, Colo.
Caffery	Kleppe	Ruppe
Carey	Kluczynski	Saylor
Casey	Kuykendall	Shipley
Cederberg	Latta	Sisk
Celler	Leggett	Stratton
Clausen, Don H.	Long, La.	Taft
	McCarthy	Thompson, Ga.
Cramer	McCloskey	Vigorito
Cunningham	McCulloch	Weicker
Dawson	McDonald, Mich.	Whitten
Denney		Wilson, Bob
Dent	McEwen	Wilson, Charles H.
Devine	MacGregor	
Diggs	Meskill	Wyatt
Dingell	Mills	Wylie
Edwards, La.	Mize	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Anderson of Illinois.
Mr. Mills with Mr. Devine.
Mr. Carey with Mr. Cederberg.
Mr. Blatnik with Mr. Bob Wilson.
Mr. Aspinall with Mr. Andrews of North Dakota.
Mr. Whitten with Mr. Morton.
Mr. Rogers of Colorado with Mr. McDonald of Michigan.
Mr. Podell with Mr. Dawson.
Mr. Caffery with Mr. Ashbrook.
Mr. Pryor of Arkansas with Mr. Thompson of Georgia.
Mr. Rarick with Mr. Don H. Clausen.
Mr. Dingell with Mr. Beall of Maryland.
Mr. Long of Louisiana with Mr. McCulloch.
Mr. Pepper with Mr. Cramer.
Mr. Charles H. Wilson with Mr. Nelsen.
Mr. Gettys with Mr. Cunningham.
Mr. Hicks with Mr. Denney.
Mr. Dent with Mr. Quillen.
Mr. Nedzi with Mr. Broomfield.
Mr. Celler with Mr. Horton.
Mr. Leggett with Mr. Powell.
Mr. Jones of Tennessee with Mr. Kleppe.
Mr. Gaydos with Mr. McEwen.
Mr. Gilbert with Mr. Bell of California.
Mr. Shipley with Mr. Findley.
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Mr. Edwards of Louisiana with Mr. Brock.
Mr. Kluczynski with Mr. Mize.
Mr. McCarthy with Mr. Meskill.
Mr. Brown of California with Mr. Diggs.
Mr. Adams with Mr. McCloskey.
Mr. Anderson of Tennessee with Mr. Bush.
Mr. Fraser with Mr. Ruppe.
Mr. Kirwan with Mr. Reifel.
Mr. Vigorito with Mr. Saylor.
Mr. Holifield with Mr. Taft.
Mrs. Hansen of Washington with Mr. Weicker.
Mr. Rivers with Mr. Wyatt.
Mr. Myers with Mr. Wylie.
Mr. Casey with Mr. Latta.
Mr. Fallon with Mr. Pucinski.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DANIELS of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed, H.R. 16968, and to include extraneous material.

The SPEAKER pro tempore (Mr. PRICE of Illinois). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I have taken this time for the purpose of asking the distinguished majority leader the program for the rest of the week, if any, and the schedule for next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman.

Mr. ALBERT. In response to the distinguished minority leader's inquiry, we have no further business for the week and will ask to go over until Monday after the announcement of the program.

The program for next week is as follows:

Monday is District day and we have two District bills.

H.R. 18086, to authorize the District of Columbia Commissioner to sell or exchange certain real property in Prince William County, Va.; and

H.R. 17146, to amend the act incorporating Columbian College—the George Washington University.

Also, while this is not on the whip notice, there may be conference reports

91ST CONGRESS
2D SESSION

H. R. 16968

IN THE SENATE OF THE UNITED STATES

JULY 10, 1970

Read twice and referred to the Committee on Post Office and Civil Service

AN ACT

To provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8906 (a) of title 5, United States Code, is amended to read as follows:

"(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted, beginning on the first day of the first pay period of each year, to an amount equal to 50 percent of the average of the subscrip-

tion charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefit plan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

(b) The amendment made by subsection (a) of this section shall become effective at the beginning of the first applicable pay period which commences after December 31, 1970.

SEC. 2. (a) Section 8901 (3) (B) of title 5, United States Code, is amended to read as follows:

"(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;".

(b) Section 8901 (3) (D) (i) of title 5, United States Code, is amended by striking out ", having completed 5 or more years of service,".

SEC. 3. (a) Section 8701 (a) (B) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

(b) Section 8901 (1) (ii) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

SEC. 4. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86–724) is amended as follows:

(1) Section 2 (4) is amended by inserting immediately before the period at the end thereof a comma and the following: "and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act";

(2) Sections 4 (a) and 6 (a) are each amended by adding at the end thereof the following sentence: "The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act."; and

(3) Section 9 is amended by adding at the end thereof the following subsection:

"(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person

when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.".

(b) The amendments made by subsection (a) of this section shall become effective on January 1, 1971.

Passed the House of Representatives July 9, 1970.

Attest: W. PAT JENNINGS,

Clerk.

91ST CONGRESS
2D SESSION

H. R. 16968

AN ACT

To provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes.

JULY 10, 1970
Read twice and referred to the Committee on Post Office and Civil Service

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of August 27, 1970
91st-2nd; No. 150

CONTENTS

HIGHLIGHTS: Sen. Symington called for removal of restrictions on breeding cattle exports.

SENATE

1. BREEDING ANIMALS; EXPORTS. Sen. Symington cited the export of breeding cattle as a potential big source of dollar earnings for cattlemen and called for the abolition of the often arbitrary restrictions placed against our breeding stock. pp. S14380-1

2. AIR POLLUTION. Sen. Muskie stated that air pollution costs the American people billions of dollars in health losses, and placed in the Record a report entitled "Air Pollution & Human Health". pp. S14394-402

3. ECONOMY. Sen. Brooke cited the decline in the wholesale price index as a sign that "the stability of our economic fabric is being restored". p. S14369

4. ELECTRIFICATION. Received a letter from the Administrator, REA, transmitting report No. 497 relating to approval of a loan to Arkansas Valley G & T Inc. of Pueblo, Colo. p. S14369

5. LEGISLATIVE PROGRAM. Sen. Mansfield announced the cancellation of the Saturday session, stating that the pending business could carry over until Tuesday, Sept. 1. p. S14449

6. PERSONNEL; HEALTH BENEFITS. Sen. Burdick expressed hope for quick passage of S. 1772 relating to Government contribution toward the cost of the Federal employees health insurance and submitted the report thereon of the Committee on Post Office and Civil Service, with amendments (S. Rept. No. 91-1151). The Senate bill calls for a 40% contribution; the House companion bill, HR 16968, fixes a 50% contribution. p. S14370.

7. FARM BILL. The Agriculture & Forestry Committee continued in executive session to consider HR 18546, the proposed Agricultural Act of 1970, with a meeting scheduled for Friday. p. D952

8. NATIONAL FORESTS. A subcommittee of the Interior and Insular Affairs Committee approved for full committee action S. 750 and H.R. 471, to add certain lands to the Carson National Forest. N. Mex., in order to safeguard the interests and welfare of the Pueblo de Taos Indians. p. D953

EXTENSION OF REMARKS

9. TAXATION. Rep. Culver discussed his bill, H.R. 17532, designed to help primarily small businesses and small farms by providing for the continuation of a tax credit for investments of up to $15,000. p. E7944

BILLS INTRODUCED

10. OUTLAYS. S. 4292, by Sen. Scott, to provide for fiscal responsibility through the establishment of a limitation on budget expenditures and net lending (budget outlays) for the fiscal year 1971, and for other purposes; to the Committee on Finance.

Calendar No. 1168

91st Congress
2d Session

SENATE

Report
No. 91–1151

FEDERAL EMPLOYEES HEALTH BENEFITS

August 27, 1970.—Ordered to be printed

Mr. Burdick, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany S. 1772]

The Committee on Post Office and Civil Service, to which was referred the bill (S. 1772) to provide that the Federal Government shall pay one-half of the cost of health insurance for Federal employees and annuitants, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

Purpose

S. 1772 will increase the amount paid by the Federal Government toward the cost of the premium charged for health insurance authorized by the Federal Employees Health Benefits Act from $1.62 (for self only) or $3.94 (for family coverage) for each biweekly pay period (which in practice is about 24 percent of the average cost of high option family insurance) to a permanent level of 40 percent of the average premium charged for high option coverage offered by the six largest insurance programs operating under the act.

Statement

The Federal employees health insurance program was enacted in 1959 to provide a comprehensive health insurance protection for all Federal employees, members of their families, and employees and their families after retirement from the Federal service. Nearly 8 million employees and family members are now covered and more than 3½ billion dollars in benefits have been paid during the 10 years of the programs operation.

Under the act, there are two Government-wide insurance programs, one based on a "service benefit" scheme (Blue Cross) and the other based on indemnification to the employee for medical expenses in-

curred (Aetna). Health insurance programs offered by Federal employee unions and associations or by local or regional health insurance carriers approved by the Civil Service Commission are also eligible to offer insurance to employees and participate in the program.

Nearly all eligible Federal employees are covered by health insurance. When the program was established in 1960, two basic plans were developed and offered: a "low option" plan giving basic protection for medical, hospital, and surgical expenses at very reasonable rates; and a "high option" plan, designed to appeal to employees who desire very broad and reasonably expensive insurance. Based on the evidence available at the time, including the testimony of Federal employee unions before the Senate Post Office and Civil Service Committee, it was assumed that most employees would choose low option insurance.

To share the cost of the program, the organic act provided that the Government would contribute a specific dollar amount at that time estimated equal to one-half of the cost of the least expensive Government-wide program. Employees who choose high option protection or any other protection which costs more than twice the Government contribution bear the full cost of the additional expense.

Experience has proven that employees prefer high option protection. Today, close to 90 percent of all employees elect high option coverage even though the Government's contribution amounts to only 24 percent of the average cost of high option family protection. Apparently, employees prefer the greater insurance protection of the high option plans and are willing to pay for it.

By 1966 the Government's contribution had dropped from its original 38 percent of high option cost to less than 30 percent. In Public Law 89–504, the Congress increased the dollar amount of the Government's contribution so that the Government's share rose to 37 percent of high option cost. Since that time, premium increases have reduced the Government's contribution to 24.2 percent of the average cost of high option protection.

Justification

As introduced, S. 1772, provided that the Government's contribution be permanently set at 50 percent of the cost of the least expensive Government-wide high option plan and that annual adjustments be made in the Government contribution to maintain that level. Since our hearing on this legislation in April 1969, the House Committee on Post Office and Civil Service reported legislation establishing the Government's contribution at 50 percent of the average cost of high option insurance offered by the two Government-wide programs, the two largest Federal employee union programs, and two comprehensive medical plans designated by the Civil Service Commission. The Commission has endorsed the theory of relating the Government's contribution to the average cost of the most heavily subscribed programs and relating the Government's contribution to high option, rather than low option, because of the overwhelming preference which employees have consistently demonstrated for high-option protection.

The committee therefore recommends an amendment to S. 1772 to conform to the recommendations included in the House bill, which is also unanimously endorsed by Federal employee unions and associa-

tions. But we recommend that in order to control the substantial costs involved, the Government contribution be set at 40 percent of the premium rather than 50 percent as originally contained in S. 1772 and as recommended by the House.

Evidence presented to the committee in its hearings on S. 1772 demonstrates beyond reasonable question that employers in the private sector of the economy generally pay a far greater percentage of the cost of health insurance than does the Federal Government. An accurate comparison of insurance protection is very difficult to make because of the difference in protection offered under individual plans, but the committee has examined enough evidence of the kind of medical protection offered by major employers in the private sector of the economy to recommend without reservation a substantial increase in the Government's contribution to the overall cost of the program.

Opportunities To Change Enrollment

The Federal Employees Health Benefits Act provides that an employee or annuitant may transfer his enrollment at such times and under such conditions prescribed by regulations of the Civil Service Commission. These regulations specify 13 events (such as a change in family status, assignment to or from overseas, or attainment of age 65) which permit an employee to transfer his enrollment. These events recognize that an employee's circumstances may change so as to require a change in his coverage, but they are generally outside the direct control of the employee so that he cannot manipulate changes in his enrollment to his best advantage and adversely to the plans which participate in the program.

Additionally, the regulations require than an "open season" during which any employee may freely change plans, options and type of coverage, be held at least once every 3 years. Benefits and premium changes for all the plans are announced and publicized by the Commission in advance of an open season so that each employee has an opportunity to review the benefits and costs being offered by all the plans available to him and to reselect the coverage that best suits his needs. Including the initial enrollment in the spring of 1960, the Commission has declared six open seasons at irregular intervals ranging from 1 to 3 years. The latest open season was held in the fall of 1969, 3 years after the preceding open season.

The committee believes that, because of continuing new developments in medical care and in health benefits coverage and because of sharp and frequent increases in premium, employees should have timely opportunities to adjust their coverage. Of particular concern is the question of whether an employee should be afforded an opportunity to change if his plan has a premium increase. We therefore urge the Commission to reexamine the opportunities afforded employees to adjust their coverage through open seasons, without sacrificing the safeguards against adverse selection (such as a change from low to high option when serious illness or hospital confinement can be anticipated) which could impair the financial soundness of a plan and result in extraordinary premium increases for employees remaining in that plan.

Health Insurance Costs and Service

The committee is seriously concerned about the continuing increase in the costs of medical, surgical, and hospital services under this program. Our schedule for the remainder of the 91st Congress does not permit time to initiate a significant study of even the major aspects of this problem, but the groundwork should be begun now for a very thorough analysis of Federal employees health benefits and the implications of recent developments in the field of health protection for Federal employees.

The program authorized by the Federal Employees Health Benefits Act will cost more than a billion dollars in premiums next year and the Congress should have adequate data to evaluate the total effectiveness of the program as an insurance system.

As a beginning, the committee instructs and specifically authorizes the majority and minority staff of the committee jointly to carry out a preliminary investigation of the entire program. The staff is authorized to investigate any matters which it may determine should be brought to the committee's attention and to call upon the Commission and the insurance carriers to obtain the kind and quality of information upon which the committee can rely in developing a formal committee investigation, report, and possible porposed legislation.

Coverage for Vision Care Services

The American Optometric Association has pointed out that services rendered by a licensed optometrist which would be covered under most health insurance plans offered by carriers if the service were rendered by a doctor of medicine are not paid for because the insurance carriers do not define the practice of optometry.

The Civil Service Commission has heretofore refrained from attempting to require a carrier to identify individual fields of medical or quasi-medical service for coverage on the grounds that the carrier should have freedom to determine what types of medical care should be covered.

The committee appreciates the position of the Commission; but in practice, permitting the insurance carriers to be the sole judge of what practitioners are covered results in charging the employee with costs for services which, had they been rendered by a different practitioner, would have been paid for by the carrier. The employee, therefore, loses protection which he has a right to expect as a subscriber and participant in the plan.

The committee instructs the Civil Service Commission to consult with carriers to determine what steps can be taken to correct this situation. If carriers express unwillingness to recognize additional practitioners of these covered services, the Commission should advise the committee what legislation will be necessary to insure that employees have covered services paid for by their health benefits insurance.

Costs

The present cost of the Federal employees health insurance program is $958 million a year. Assuming an increase of 12 percent in the cost of insurance effective in January 1971, the cost for the year 1971 to

the Government because of the enactment of S. 1772 will be approximately $169 million.

Public Hearings

Public hearings on S. 1772 were held before the Subcommittee on Health Benefits and Life Insurance on April 29 and 30, 1969. The hearings were printed and are available.

Agency Report

Following is a letter from the Honorable Robert E. Hampton, Chairman of the U.S. Civil Service Commission.

U.S. Civil Service Commission,
Washington, D.C., April 28, 1969.

Hon. Gale W. McGee,
Chairman, Committee on Post Office and Civil Service,
U.S. Senate.

Dear Mr. Chairman: This is in reply to your request for the Commission's views on S. 1772, a bill to provide that the Federal Government shall pay one-half of the cost of health insurance for Federal employees and annuitants.

The Government's contribution to the premium cost of an enrollment under the Federal employees health benefits program (chapter 89, title 5, United States Code) is stated in terms of dollars. The contribution, including 4 percent for administrative costs and reserves, amounts to $1.68 biweekly for a self-only enrollment and $4.10 biweekly for a family enrollment, but no more than 50 percent of the total cost of an enrollment.

S. 1772 would eliminate the dollar figures and set the Government contribution at amounts equal to one-half the premium cost of the less expensive of the high-options offered by the two Government-wide plans. At present premium rates this would mean an increase in the biweekly Government contribution from $1.68 to $3.33 for a self-only enrollment and from $4.10 to $8.13 for a family enrollment in most cases. The 50-percent-of-total-premium limitation in 5 U.S.C. 8906(b) would be retained and in the relatively few cases (about 34,000) affected by this limitation, the Government contribution would, as now, be 50 percent of premium but smaller than the $3.33 or $8.13 mentioned above. Similarly, about another 700,000 enrollees are in plans or options for which the premium is now more than twice the Government's contribution but not as costly as that of the less expensive Government high option; these enrollees would receive an increase in Government contribution to 50 percent of premium. Government contributions at the proposed new rate would become effective the first pay period beginning on or after July 1, 1969, and subsequent contribution rate adjustments would similarly occur at the beginning of a fiscal year.

When originally enacted in 1959, the health benefits law provided for a Government contribution which would be set by the Civil Service Commission within a specified range at not more than 50 percent of the least expensive low option offered by the two Government-wide plans. The Government contribution was thus geared to paying one-half the premium for a package of benefits which, while moderate in

cost, would be adequate for the needs of most employees; if an employee wanted more protection through the richer high-option benefits, he had to pay the additional cost. The initial distribution of enrollments between self-only and family coverage, between high and low options, and among the various plans resulted in the Government's contributing approximately 38 percent of the aggregate premium for all enrollments, with employees and annuitants contributing the remainder.

As time went on, this 38-percent Government share of the aggregate premium gradually diminished for two main reasons: (1) employees gravitated toward the more expensive high options; and, (2) high-option premiums increased because the cost of medical care increased, because needed improvements in benefits were made, and because of the relatively high morbidity experience of persons who selected high options. In contrast, experience of the low options was very good because there was a strong tendency for healthy employees with healthy families to choose this less expensive coverage. Low-option premium rates therefore remained stable and the Government contribution, which was geared to these rates, could not be increased to reflect the increasing cost of medical care.

By 1966, the Government's share of the cost of health benefits was down from 38 percent to less than 30 percent of the total premium. Public Law 89–504, approved July 18, 1966, eliminated the tie-in of the Government contribution to the low-option premium and increased the amount of this biweekly contribution from $1.30 to $1.68 for a self-only enrollment, and from $3.12 to $4.10 for a family enrollment. This had the effect of restoring the Government contribution to its initial 1960 level of 38 percent of aggregate premium. Premium increases (primarily for high options) in January 1967, 1968, and 1969, have again diminished the Government contribution to approximately 27 percent of aggregate premium. Stated in dollars, the Government will contribute $229 million during calendar year 1969 and employees will contribute $610 million.

On the basis of present enrollment figures and premiums, if S. 1772 were enacted, the Government's contribution to health benefits would increase to 49 percent of the aggregate premium. Stated differently, the Government's annual contribution (based on present premiums) would initially increase by 80 percent or $183 million, from $229 million to $412 million. The additional cost to the Government would continue to increase automatically as premiums continue to increase commensurately with the ever-rising costs of medical care and the increasing utilization of such care, as well as for benefit improvements in the plans.

In the opinion of the Civil Service Commission, the arrangement for fixing the Government's contribution to health benefits premiums which S. 1772 provides is feasible. At the same time it entails some serious flaws among which are the following:

> With no firm control over the pricing and utilization of medical care, we anticipate that, for the near future at any rate, premiums will continue to rise each year and the Government's contribution would have to be automatically increased without regard to the administration's overall fiscal policy or budget considerations.

The Government would lose control over the amount it contributes to health benefits and this would not be conducive to the orderly management of its fiscal affairs.

The size of what the Government's contribution to health benefits should be cannot be fairly evaluated except as an integral part of total Federal-employee compensation. The Government will shortly achieve salary comparability with private industry. The most recent study published by the Department of Labor in November 1968 (BIS Rept. 352) showed expenditure rates for fringe benefits to be comparable: 24.5 percent of straight-time payroll in industry and 23.8 percent in Government. If comparability of total compensation is to be maintained, it would be unwise for the Government at this time to write a blank check to cover a fixed percentage of the constantly rising costs of the health benefits program. The Government's contribution to health benefits should not be considered in isolation; all elements which go to make up total Federal-employee compensation (for example, pay, retirement and life insurance contributions, annual and sick leave) should be taken into account in setting the amount of this contribution.

The fact that employees have to pay the full premium costs of benefit improvements has served as a brake in improving the already comprehensive benefits provided by the high-option plans. If benefit improvements could be obtained by employees at 50 percent of their cost (with the Government contributing the other 50 percent) we envisage a concerted effort by plans to further improve their benefits to ultimately cover 100 percent of all medical expenses as well as related expenses such as vision and dental care. These kinds of improvements in benefits would not only operate to immediately increase premiums, and the Government's contribution thereto, but would also remove the existing deterrents (for example, deductible and coinsurance) to overutilization of medical care (and, consequently, of benefits) that most plans have built into their benefit structures.

The proposed increase of the Government contribution to 50 percent of the less expensive high-option premium is excessively costly and inconsistent with the administration's efforts to reduce public expenditures.

For the reasons indicated above, the Commission does not recommend the enactment of S. 1772.

The Commission appreciates that the sharply rising costs of medical care and consequently of that portion of health benefit premiums not paid by the Government has resulted in less take-home pay for employees and annuitants. If the Congress believes that relief in this respect should be granted, enactment of a bill which would reestablish the Government's share of the total premium at 38 percent would restore the situation initially prevailing. This would require amendment of section 8906(a) of title 5, United States Code, to set maximum biweekly Government contributions of $2.31 and $5.66 for self-only and self and family enrollments, respectively. Total Government contributions at these levels (plus the 4-percent set-aside for administrative expenses and contingency reserve) would approximate $315 million, compared with $229 million at the current rate, an increase

of about $86 million annually. Since all health benefit contracts are on a calendar-year basis, such a change would more appropriately be made on a calendar year basis, effective next January, then on a fiscal year basis.

If further consideration is given S. 1772 in its present form, there are some technical changes we believe should be made in it. We shall be glad to work with the staff of the committee in preparing necessary language.

The Commission believes that restoration of the Government's contribution to its original 38 percent is justifiable, and would not object to legislation which would accomplish this. However, the Commission recognizes that budgetary and fiscal considerations must be taken into account, and the Bureau of the Budget advises that the cost of restoration at this time would be inconsistent with the administration's efforts to reduce expenditures.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission.

Sincerely yours,

(S) Robert E. Hampton, *Chairman.*

Sectional Analysis

Section 1 provides that effective July 1, 1970, the Government contribution to the cost of health insurance be equal to 40 percent of the average cost of the two Government-wide programs in effect, the two largest Federal employee union plans offered, and two comprehensive insurance plans designated by the Civil Service Commission.

Section 2 amends title 5, United States Code, to make permanent the provisions of section 1 of the bill, effective January 1, 1971.

Section 3 makes survivors of an employee who dies in service eligible for continued health insurance coverage even if he has not completed 5 years of service required under present law, and removes the requirement for 5 year's service as a condition for continued family coverage in the case of an employee who dies in service. This conforms to the changes in survivor annuity protection enacted in Public Law 91–93, the Civil Service Retirement Amendments of October 20, 1969.

Section 4 extends health and life insurance coverage to nonresident alien employees of the Federal Government in the Panama Canal Zone.

Section 5 permits the Government to make a contribution to the cost of supplemental insurance under "part B" of medicare in the same manner as the Government now makes a contribution toward any approved health insurance plan operating under the provisions of Public Law 86–724, the Retired Federal Employees Health Benefits Act of 1960.

Section 5 also permits the Government to waive recovery of overpayments under that act when the Commission has paid more than legally authorized, if the enrollee is not at fault.

Changes in Existing Law

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as re-

ported are shown as follows (existing law in which no change is proposed is shown in roman; existing law proposed to be omitted is enclosed in black brackets; new matter is shown in italic):

TITLE 5, UNITED STATES CODE

* * * * * * *

CHAPTER 87—LIFE INSURANCE

* * * * * * *

§ 8701. Definition

(a) For the purpose of this chapter, "employee" means—

(1) an employee as defined by section 2105 of this title;

(2) a Member of Congress as defined by section 2106 of this title;

(3) a Congressional employee as defined by section 2107 of this title;

(4) the President;

(5) an individual employed by the government of the District of Columbia;

(6) an individual employed by Gallaudet College;

(7) a United States Commissioner to whom subchapter III of chapter 83 of this title applies by operation of section 8331(1)(E) of this title;

(8) an individual employed by a county committee established under section 590h(b) of title 16; and

(9) an individual appointed to a position on the office staff of a former President under section 1(b) of the Act of August 25, 1958 (72 Stat. 838);

but does not include—

(A) an employee of a corporation supervised by the Farm Credit Administration if private interests elect or appoint a member of the board of directors;

(B) a noncitizen employee whose permanent duty station is outside the United States *and the Panama Canal Zone;* or

(C) an employee excluded by regulation of the Civil Service Commission under section 8716(b) of this title.

* * * * * * *

CHAPTER 89—HEALTH INSURANCE

* * * * * * *

§ 8901. Definitions

For the purpose of this chapter—

(1) "employee" means—

(A) an employee as defined by section 2105 of this title;

(B) a Member of Congress as defined by section 2106 of this title;

(C) a congressional employee as defined by section 2107 of this title;

(D) the President;

(E) an individual employed by the government of the District of Columbia;

(F) an individual employed by Gallaudet College;

(G) a United States Commissioner to whom subchapter III of chapter 83 of this title applies by operation of section 8331(1)(E) of this title; and

(H) an individual employed by a county committee established under section 590h(b) of title 16;

but does not include—

(i) an employee of a corporation supervised by the Farm Credit Administration if private interests elect or appoint a member of the board of directors;

(ii) a noncitizen employee whose permanent duty station is outside the United States *and the Panama Canal Zone;*

(iii) an employee of the Tennessee Valley Authority; or

(iv) an employee excluded by regulation of the Civil Service Commission under section 8913(b) of this title;

(2) "Government" means the Government of the United States and the government of the District of Columbia;

(3) "annuitant" means—

(A) an employee who retires on an immediate annuity under subchapter III of chapter 83 of this title or another retirement system for employees of the Government, after 12 or more years of service or for disability;

(B) a member of a family who receives an immediate annuity as the survivor *of an employee or* of a retired employee described by subparagraph (A) of this paragraph [or of an employee who dies after completing 5 or more years of service];

(C) an employee who receives monthly compensation under subchapter I of chapter 81 of this title and who is determined by the Secretary of Labor to be unable to return to duty; and

(D) a member of a family who receives monthly compensation under subchapter I of chapter 81 of this title as the surviving beneficiary of—

(i) an employee who [, having completed 5 or more years of service] dies as a result of injury or illness compensable under that subchapter; or

(ii) a former employee who is separated after having completed 5 or more years of service and who dies while receiving monthly compensation under that subchapter and who has been held by the Secretary to have been unable to return to duty;

* * * * * * *

§ 8906. Contributions

[(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for an employee or annuitant enrolled in a health benefits plan under this chapter, in addition to the contribution required by subsection (c) of this section, is $1.62 if the enrollment is for self alone or $3.94 if the enrollment is for self and family.]

(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted, beginning on the first day of the first pay period of each year, to an amount equal to 40 percent of the average of the subscription charges in effect

on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

(1) the service benefit plan;

(2) the indemnity benefit plan;

(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.

(b) The Government contribution for an employee or annuitant enrolled in a plan for which the biweekly subscription charge is less than twice the Government contribution established under subsection (a) of this section, is 50 percent of the subscription charge.

* * * * * * *

RETIRED FEDERAL EMPLOYEES HEALTH BENEFITS ACT

* * * * * * *

DEFINITIONS

SEC. 2. As used in this Act—

(1) The terms "employee", "Government", "member of family", and "Commission" have the same meanings, when used in this Act as such terms have when used in the Federal Employees Health Benefits Act of 1959.

(2) "Health benefits plan" means an insurance policy or contract, medical or hospital service arrangement, membership or subscription contract, or similar agreement provided by a carrier for a stated periodic premium or subscription charge for the purpose of providing, paying for, or reimbursing expenses for hospital care, surgical or medical diagnosis, care, and treatment, drugs and medicines, remedial care, or other medical supplies and services, or any combination of these.

(3) "Retired employee" means any person who would be an annuitant as that term is defined in the Federal Employees Health Benefits Act of 1959 if the contribution and enrollment provisions of that Act had been in effect on the date the person became an annuitant, but does not include any person who was a noncitizen whose permanent-duty station was outside a State of the United States or the District of Columbia on the day before he became an annuitant.

(4) "Carrier" means a voluntary association, corporation, partnership, or other nongovernmental organization which lawfully offers a health benefits plan, *and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act.*

CONTRIBUTIONS

SEC. 4. (a) If a retired employee enrolls in the health benefits plan provided for by section 3 of this Act, the Government shall

contribute toward his subscription charge such amounts as the Commission by regulation may from time to time prescribe. The amount so prescribed, if the employee is enrolled for self only, shall not be less than $3.00 monthly or more than $4.00 monthly. The amount to be prescribed for a retired employee enrolled for self and family shall be twice the contribution for one enrolled for self only. A retired employee may not receive a Government contribution for more than one plan, nor may a retired employee receive a Government contribution if he is covered under the enrollment of another employee or retired employee who is receiving a Government contribution toward his enrollment. *The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act.*

* * * * * * *

OTHER HEALTH BENEFITS PLANS

SEC. 6. (a) Subject to subsection (b) of this section, a retired employee who elects to obtain a health benefits plan, or to retain an existing health benefits plan, other than the plan provided for under section 3 of this Act, directly with a carrier, shall be paid a Government contribution to the cost of his health benefits plan which shall be equal in amount to the appropriate Government contribution established by the Commission pursuant to section 4(a) of this Act, but may not exceed the cost to him of the health benefits plan in which he is enrolled or which he retains or, if the plan combines health benefits with other benefits, shall not exceed the cost to him of the premium fixed by the carrier for the health benefits portion of the plan in which he is enrolled or which he retains. A retired employee may not receive a Government contribution for more than one plan, nor may a retired employee receive a Government contribution if he is covered under the enrollment of another employee or retired employee who is receiving a Government contribution toward his enrollment. *The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act.*

* * * * * * *

ADMINISTRATION

SEC. 9. (a) The Commission shall administer this Act and prescribe such regulations as are necessary to give full effect to the purposes of this Act.

(b) Such regulations shall fix minimum standards to be met by the carrier and the plan under section 3 of this act, including extensions of coverage to be provided. The Commission may request all carriers to furnish such reasonable reports as the Commission determines to be necessary to enable it to carry out its functions under this act. The carrier shall furnish such reports when requested and permit the Commission and representatives of the General Accounting Office to examine such records of the carriers as may be necessary to carry out the purposes of this act.

(c) The Commission's regulations may include, but are not limited to, the following:

(1) exclusions of retired employees from coverage;

(2) beginning and ending dates of coverage, and conditions of eligibility;

(3) methods of filing the elections required by section 7 of this act and other information;

(4) methods of making contributions authorized by section 6, and withholdings required by section 5 of this act;

(5) changes in enrollment;

(6) questions of dependency;

(7) certificates and other information to be furnished to retired employees;

(8) contributions and withholding during periods of suspension of annuity payments and in other extraordinary situations;

(9) when, and under what conditions, an election not to participate in the programs offered under this act may be withdrawn; and

(10) under what conditions and to what extent the cost of a plan shall be considered a cost attributable to the retired employee.

(d) Each agency of the United States or the District of Columbia which administers a retirement system for annuitants shall keep such records, make such certifications, and furnish the Commission with such information and reports as may be necessary to enable the Commission to carry out its functions under this Act.

(e) There are hereby authorized to be expended from the Employees Life Insurance Fund, without regard to limitations on expenditures from that Fund, for any fiscal years from the date of enactment through the fiscal year ending June 30, 1962, inclusive, such sums as may be necessary to pay administrative expenses incurred by the Commission in carrying out the health benefits provisions of this Act. Reimbursements to the Employees Life Insurance Fund for sums so expended, together with interest at a rate to be determined by the Secretary of the Treasury, shall be made from the Retired Employees Health Benefits Fund which is hereby made available for this purpose.

(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.

O

Calendar No. 1168

91ST CONGRESS
2D SESSION

S. 1772

[Report No. 91–1151]

IN THE SENATE OF THE UNITED STATES

APRIL 3, 1969

Mr. MCGEE (for himself, Mr. BURDICK, and Mr. YARBOROUGH) introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

AUGUST 27, 1970

Reported by Mr. BURDICK, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To provide that the Federal Government shall pay one-half of the cost of health insurance for Federal employees and annuitants.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That section 8906(a) of title 5, United States Code, is amended to read as follows:~~

~~"(a) The Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted on the first day of the first pay period of each fiscal year to an amount equal to one-~~

~~half of the cost of the least expensive higher level of benefits plan authorized under section 8903 (1) or (2) of this title."~~

~~SEC. 2. This Act shall take effect on the first day of the first pay period beginning on or after July 1, 1969.~~

That, except as provided by subsection (b) of section 8906 of title 5, United States Code, effective from the first day of the first pay period which begins on or after July 1, 1970, and continuing until the first day of the first pay period which begins on or after January 1, 1971, the bi-weekly Government contribution for health benefits for an employee or annuitant enrolled under a health benefits plan under chapter 89 of title 5, United States Code, shall be equal to 40 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefit plan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

SEC. 2. Effective January 1, 1971, section 8906(a) of title 5, United States Code, is amended to read as follows:

"(a) The Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted on the first day of the first pay period of each year to an amount equal to 40 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefit plan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

SEC. 3. (a) Section 8901(3)(B) of title 5, United States Code, is amended to read as follows:

"(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;".

(b) Section 8901(3)(D)(i) of title 5, United States Code, is amended by striking out ", having completed 5 or more years of service,".

SEC. 4. (a) Section 8907(a)(B) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

(b) Section 8901(1)(ii) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

SEC. 5. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86-724) is amended as follows:

(1) Section 2(4) is amended by inserting immediately before the period at the end thereof a comma and the following: "and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act";

(2) Sections 4(a) and 6(a) are each amended by adding at the end thereof the following sentence: "The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act."; and

(3) Section 9 is amended by adding at the end thereof the following subsection:

"(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.".

(b) The amendments made by subsection (a) of this section shall become effective on October 1, 1970.

Amend the title so as to read: "An act to increase the contribution by the Federal Government to the cost of health benefits insurance and for other purposes."

Calendar No. 1168

91ST CONGRESS
2D SESSION

S. 1772

[Report No. 91–1151]

A BILL

To provide that the Federal Government shall pay one-half of the cost of health insurance for Federal employees and annuitants.

By Mr. McGEE, Mr. BURDICK, and Mr. YARBOROUGH

APRIL 3, 1969
Read twice and referred to the Committee on Post Office and Civil Service

AUGUST 27, 1970
Reported with amendments

the colony including issuance of deeds for the purpose of extinguishing title to erroneous descriptions within the area and accept title in the name of the United States in trust for the Reno-Sparks Indian Colony in order to establish proper boundaries of the property.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1143), explaining the purposes of the measure.

There being no objection, the exerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of S. 3196 is to grant to the Reno-Sparks Indian Colony in Nevada the beneficial interest in and to 28.38 acres of land the colony has been using and occupying since the land was acquired by the Federal Government by purchase from private individuals for use as homesites for nonreservation Indians. The bill also authorizes the governing body of the colony, with the approval of the Secretary of the Interior, to make long-term leases of land to members for homesites, dedicate lands for public purposes, contract for public facilities and other services, enact zoning building, and sanitary regulations, and take action to establish proper boundaries of the colony lands.

NEED

The colony site consists of two tracts of land, one of which was acquired in 1917 and the other in 1927 pursuant to authority of, and with funds made available by, two acts of Congress for the purpose of procuring home and farm sites for the nonreservation Indians in the State of Nevada. Title to the land was taken in the name of the United States:

On June 10, 1935, the Indians residing in the colony voted to accept the Indian Reorganization Act of June 18, 1934, and later adopted a constitution and bylaws which was approved by the Secretary of the Interior on January 15, 1936. Article I of the constitution and bylaws provides that the organized colony shall have jurisdiction over all of the land within the boundaries of the colony site, except as otherwise provided by law.

The property since its purchase has been used almost exclusively for homesite purposes by the colony members. There are now located on the land over 100 cottages and mobile homes. The value of these improvements, which are in varying degrees of repair and maintenance, has been estimated at approximately $125,000 to $150,000.

When purchased, the land was rural in character and location. In the intervening years the city of Reno has grown until the colony is completely surrounded on all sides. Nearly the whole acreage of the colony has been plotted into lots which have been assigned to members on an approved assignment form. Although the colony has domestic water and waste disposal facilities, which were completed in 1968, there is need for modernization and improvement of the housing and community facilities and services.

With the formal transfer of the beneficial ownership from the United States to the colony, any doubt of the rights and interest of the colony in and to the land and its authority to contract for improvements on or to the land and to make in-kind contribution toward the Neighborhood Facilities project will be resolved. The colony will also have authority to make long-term leases to its members for homesite purposes and thus enable the members to mortgage or otherwise hypothecate their leasehold interests as security for improvement loans and through this procedure effect an improvement in their housing conditions.

Although the constitution and bylaws adopted by the colony provide that the Indian council may exercise certain specified authorities, including the promulgation and enforcement of ordinances, to safeguard and promote the peace, safety, and general welfare of the colony, attempts of tribal governing bodies in this general area of autonomy have often given rise to serious questions. Accordingly, it is deemed desirable that this bill be enacted to remove any doubt as to the authority of the Indian council of the colony to take the actions therein authorized as and when the needs are indicated.

AMENDMENT

The committee has adopted an amendment to section 4 of the bill, recommended by the Department of the Interior, which makes clear that the assumption of civil or criminal jurisdiction by a States does not confer on that State either directly or indirectly the power to regulate the use of Indian trust land, but leaves such power with the Indan governing authority. The constitution and bylaws provide that the Indian council may exercise certain specified authorities, including the promulgation and enforcement of ordinances, to safeguard and promote the peace, safety, and general welfare of the colony.

COST

No additional Federal expenditures will result from the enactment of S. 3196.

COEUR D'ALENE INDIAN RESERVATION

The Senate proceeded to consider the bill (S. 3487) to authorize the sale and exchange of certain lands on the Coeur d'Alene Indian Reservation, and for other purposes which had been reported from the Committee on Interior and Insular Affairs with amendments on page 2, at the beginning of line 21, strike out "ownership to the Coeur d'Alene Tribe or to other Indians" and insert "ownership to the Coeur d'Alene Tribe, to any member thereof, or to any other Indian having an interest in the land involved,"; on page 3, at the beginning of line 10, strike out "Sec. 6. Any tribal land may, with the approval of the Secretary of the Interior, be encumbered by a mortgage or deed of trust and shall be subject to foreclosure or sale pursuant" and insert "SEC. 6. The business council of the Coeur d'Alene Tribe may encumber any tribal land by a mortgage or deed of trust, with the approval of the Secretary of the Interior, and such land shall be subject to foreclosure or sale pursuant"; and on page 4, at the beginning of line 2, strike out "115), is hereby further amended by inserting the words 'the Coeur d'Alene Indian Reservation.'" and insert "415), is further amended by inserting immediately after 'the Fort Mojave Reservation.' the words 'the Coeur d'Alene Indian Reservation,'"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of effecting consolidations of land situated within the Coeur d'Alene Indian Reservation in the State of Idaho into the ownership of the Coeur d'Alene Tribe and its individual members and for the purpose of attaining and preserving an economic land base for Indian use, alleviating problems of Indian heirship and assisting in the productive leasing, disposition, and other use of tribal and individually allotted lands on the Coeur d'Alene Reservation, the Secretary of the Interior is authorized in his discretion to:

(1) Sell or approve sales of any tribal trust lands, any interest therein, or improvements thereon.

(2) Exchange any tribal trust lands, including interests therein or improvements thereon, for any lands or interests in lands situated within such reservation.

SEC. 2. The acquisition, sale, and exchange of lands for the Coeur d'Alene Tribe pursuant to this Act shall be upon request of the business council of the Coeur d'Alene Tribe, evidenced by a resolution adopted in accordance with the constitution and bylaws of the tribe, and shall be in accordance with a consolidation plan approved by the Secretary of the Interior.

SEC. 3. Any moneys or credits received by the Coeur d'Alene Tribe in the sale of lands shall be used for the purchase of other lands, or for such other purpose as may be consistent with the land consolidation program, approved by the Secretary of the Interior.

SEC. 4. The Secretary of the Interior is authorized to sell and exchange individual Indian trust lands or interests therein on the Coeur d'Alene Reservation held in multiple ownership to the Coeur d'Alene Tribe, to any member thereof, or to any other Indian having an interest in the land involved, if the sale or exchange is authorized in writing by owners of at least a majority of the trust interests in such lands; except that no greater percentage of approval of such trust interests shall be required under this Act than in any other statute of general application approved by Congress.

SEC. 5. Title to any lands, or any interests therein, acquired pursuant to this Act shall be taken in the name of the United States of America in trust for the Coeur d'Alene Tribe or individual Indians and shall be subject to the same laws relating to other Indian trust lands on the Coeur d'Alene Reservation.

SEC. 6. The business council of the Coeur d'Alene Tribe may encumber any tribal land by a mortgage or deed of trust, with the approval of the Secretary of the Interior, and such land shall be subject to foreclosure or sale pursuant to the terms of such a mortgage or deed or trust in accordance with the laws of the State of Idaho. The United States shall be an indispensable party to any such proceedings with the right of removal of the cause to the United States district court for the district in which the land is located, following the procedure in section 1446 of title 28, United States Code: *Provided*, That the United States shall have the right to appeal from any order of remand in the case.

SEC. 7. The second sentence of section 1 of the Act of August 9, 1955 (69 Stat. 539), as amended (25 U.S.C. 415), is further amended by inserting immediately after "the Fort Mojave Reservation," the words "the Coeur d'Alene Indian Reservation,".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1146), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The bill authorizes the Secretary of the Interior to approve the sale, exchange, or encumbrance of tribal lands and to sell or exchange individually owned trust lands or interests therein held in multiple ownership to other Indians if the sale or exchange is

authorized by the owners of at least a majority of the interests in such lands. It would also provide authority for long term leasing of trust lands up to 99 years.

NEED

The Coeur d'Alene Reservation, located in the northwestern part of Idaho in Benewah and Kootenai Counties, orginally consisted of approximately 345,000 acres of tribal land. In 1909 approximately 102,570 acres were allotted to members of the tribe, 330 acres were reserved for administrative purposes, and the remaining lands comprising an area of over 242,000 acres were opened to settlement. Since allotment of the reservation lands and opening of the surplus lands to settlement approximately 80 percent of the land has passed from Indian ownership. As of June 30, 1969, there were 53,063 acres of trust land in individual ownership and 16,236 acres in tribal ownership.

The Coeur d'Alene Tribe adopted a land acquisition, consolidation, and development program in 1965 and put it into effect on the reservation at that time. To implement this program the Indians need additional authority for the acquisition and disposal of lands or interests in lands. The Coeur d'Alene Indians voted to reject the application of the Indian Reorganization Act of June 18, 1934, to their affairs. Consequently, the authorities contained therein with respect to acquisition, sale, and exchange of trust lands are not available to them.

The tribe set aside $1,150,000 from a 1958 award of the Indian Claims Commission in Docket No. 81. During the past 5 years the tribe has purchased over 3,000 acres of land at a cost of little over $450,000. Thirteen purchases are presently pending which will require an expenditure of about $300,000. The tribe is now planning a farming enterprise, and land consolidation is of much importance.

At the time of the approval of the land program the tribe owned 13,362 acres of trust land which consisted primarily of acreages restored pursuant to the act of May 19, 1958. This act also contained authority for the sale or exchange of the restored lands. However, the restored land is outside the general farming area and is not useful for trading and unitization purposes. The authority contained in S. 3487 will enable the tribe to dispose of these parcels and use the funds to acquire other tracts within the farming enterprise area or elsewhere on the reservation and assist tribal members in consolidating and unifying their individual interests thereby allevating to some extent the heirship problem. Further, it will be able to exchange lands with tribal members so that both the tribe and the members will have more economical and manageable units.

Although the tribe does not now have an urgent need for long term leasing authority, it does anticipate this authority will be needed within the foreseeable future. The tribe will endeavor to lease land for industrial purposes and has in mind that eventually it is going to become involved in some enterprises in the Coeur d'Alene Lake area.

AMENDMENTS

The Department of the Interior has suggested several clarifying amendments which were adopted by the committee.

No additional expenditure of Federal funds will result from the enactment of S. 3497.

HEALTH INSURANCE FOR FEDERAL EMPLOYEES AND ANNUITANTS

The Senate proceeded to consider the bill (S. 1772) to provide that the Federal Government shall pay one-half of the cost of health insurance for Federal employees and annuitants, which had been reported from the Committee on Post Office and Civil Service with an amendment, strike out all after the enacting clause and insert:

S. 1772

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as provided by subsection (b) of section 8906 of title 5, United States Code, effective from the first day of the first pay period which begins on or after July 1, 1970, and continuing until the first day of the first pay period which begins on or after January 1, 1971, the biweekly Government contribution for health benefits for an employee or annuitant enrolled under a health benefits plan under chapter 89 of title 5, United States Code, shall be equal to 40 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefit plan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

SEC. 2. Effective January 1, 1971, section 8906(a) of title 5, United States Code, is amended to read as follows:

"(a) The Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted on the first day of the first pay period of each year to an amount equal to 40 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefits plan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

SEC. 3. (a) Section 8901(3)(B) of title 5, United States Code, is amended to read as follows:

"(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;".

(b) Section 8901(3)(D)(i) of title 5, United States Code, is amended by striking out ", having completed 5 or more years of service,".

SEC. 4. (a) Section 8907(a)(B) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

(b) Section 8901(1)(ii) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

SEC. 5. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86–724) is amended as follows:

(1) Section 2(4) is amended by inserting immediately before the period at the end thereof a comma and the following: "and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act";

(2) Sections 4(a) and 6(a) are each amended by adding at the end thereof the following sentence: "The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act."; and

(3) Section 9 is amended by adding at the end thereof the following subsection:

"(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.".

(b) The amendments made by subsection (a) of this section shall become effective on October 1, 1970.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1151), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

S. 1772 will increase the amount paid by the Federal Government toward the cost of the premium charged for health insurance authorized by the Federal Employees Health Benefits Act from $1.62 (for self only) or $3.94 (for family coverage) for each biweekly pay period (which in practice is about 24 percent of the average cost of high option family insurance) to a permanent level of 40 percent of the average premium charged for high option coverage offered by the six largest insurance programs operating under the act.

STATEMENT

The Federal employees health insurance program was enacted in 1959 to provide a comprehensive health insurance protection for all Federal employees, members of their families, and employees and their families after retirement from the Federal service. Nearly 8 million employees and family members are now covered and more than 3½ billion dollars in benefits have been paid during the 10 years of the programs operation.

Under the act, there are two Government-wide insurance programs, one based on a "service benefit" scheme (Blue Cross) and the other based on indemnification to the employee for medical expenses incurred (Aetna). Health insurance programs offered by Federal employee unions and associations or by local or regional health insurance carriers approved by the Civil Service Commission are also eligible to offer insurance to employees and participate in the program.

Nearly all eligible Federal employees are covered by health insurance. When the program was established in 1960, two basic plans were developed and offered: a "low option" plan giving basic protection for medical, hospital, and surgical expenses at very reasonable rates; and a "high option" plan, designed to appeal to employees who desire very broad and reasonably expensive insurance. Based on the evidence available at the time, including the testimony of Federal employee unions before the Senate Post Office and Civil Service Committee, it was assumed that most employees would choose low option insurance.

To share the cost of the program, the organic act provided that the Government would contribute a specific dollar amount at that time estimated equal to one-half of the cost of the least expensive Government-wide program. Employees who choose high option protection or any other protection which costs more than twice the Government contribution bear the full cost of the additional expense.

Experience has proven that employees prefer high option protection. Today, close to 90 percent of all employees elect high option coverage even though the Government's contribution amounts to only 24 percent of the

average cost of high option family protection. Apparently, employees prefer the greater insurance protection of the high option plans and are willing to pay for it.

By 1966 the Government's contribution had dropped from its original 38 percent of high option cost to less than 30 percent. In Public Law 89–504, the Congress increased the dollar amount of the Government's contribution so that the Government's share rose to 37 percent of high option cost. Since that time, premium increases have reduced the Government's contribution to 24.2 percent of the average cost of high option protection.

JUSTIFICATION

As introduced, S. 1772, provided that the Government's contribution be permanently set at 50 percent of the cost of the least expensive Government-wide high-option plan and that annual adjustments be made in the Government contribution to maintain that level. Since our hearing on this legislation in April 1969, the House Committee on Post Office and Civil Service reported legislation establishing the Government's contribution at 50 percent of the average cost of high option insurance offered by the two Government-wide programs, the two largest Federal employee union programs, and two comprehensive medical plans designated by the Civil Service Commission. The Commission has endorsed the theory of relating the Government's contribution to the average cost of the most heavily subscribed programs and relating the Government's contribution to high option, rather than low option, because of the overwhelming preference which employees have consistently demonstrated for high-option protection.

The committee therefore recommends an amendment to S. 1772 to conform to the recommendations included in the House bill, which is also unanimously endorsed by Federal employee unions and associations. But we recommend that in order to control the substantial costs involved, the Government contribution be set at 40 percent of the premium rather than 50 percent as originally contained in S. 1772 and as recommended by the House.

Evidence presented to the committee in its hearings on S. 1772 demonstrates beyond reasonable question that employers in the private sector of the economy generally pay a far greater percentage of the cost of health insurance than does the Federal Government. An accurate comparison of insurance protection is very difficult to make because of the difference in protection offered under individual plans, but the committee has examined enough evidence of the kind of medical protection offered by major employers in the private sector of the economy to recommend without reservation a substantial increase in the Government's contribution to the overall cost of the program.

OPPORTUNITIES TO CHANGE ENROLLMENT

The Federal Employees Health Benefits Act provides that an employee on annuitant may transfer his enrollment at such times and under conditions prescribed by regulations of the Civil Service Commission. These regulations specify 13 events (such as a change in family status, assignment to or from overseas, or attainment of age 65) which permit an employee to transfer his enrollment. These events recognize that an employee's circumstances may change so as to require a change in his coverage, but they are generally outside the direct control of the employee so that he cannot manipulate changes in his enrollment to his best advantage and adversely to the plans which participate in the program.

Additionally, the regulations require than an "open season" during which any employee may freely change plans, options and type of coverage, be held at least once every 3 years. Benefits and premium changes for all the plans are announced and publicized by the Commission in advance of an open season so that each employee has an opportunity to review the benefits and costs being offered by all the plans available to him and to reselect the coverage that best suits his needs. Including the initial enrollment in the spring of 1960, the Commission has declared six open seasons at irregular intervals ranging from 1 to 3 years. The latest open season was held in the fall of 1969, 3 years after the preceding open season.

The committee believes that, because of continuing new developments in medical care and in health benefits coverage and because of sharp and frequent increases in premium, employees should have timely opportunities to adjust their coverage. Of particular concern is the question of whether an employee should be afforded an opportunity to change if his plan has a premium increase. We therefore urge the Commission to reexamine the opportunities afforded employees to adjust their coverage through open seasons, without sacrificing the safeguards against adverse selection (such as a change from low to high option when serious illness or hospital confinement can be anticipated) which could impair the financial soundness of a plan and result in extraordinary premium increase for employees remaining in that plan.

HEALTH INSURANCE COSTS AND SERVICE

The committee is seriously concerned about the continuing increase in the costs of medical, surgical, and hospital services under this program. Our schedule for the remainder of the 91st Congress does not permit time to initiate a significant study of even the major aspects of this problem, but the groundwork should be begun now for a very thorough analysis of Federal employees health benefits and the implications of recent developments in the field of health protection for Federal employees.

The program authorized by the Federal Employees Health Benefits Act will cost more than a billion dollars in premiums next year and the Congress should have adequate data to evaluate the total effectiveness of the program as an insurance system.

As a beginning, the committee instructs and specifically authorizes the majority and minority staff of the committee jointly to carry out a preliminary investigation of the entire program. The staff is authorized to investigate any matters which it may determine should be brought to the committee's attention and to call upon the Commission and the insurance carriers to obtain the kind and quality of information upon which the committee can rely in developing a formal committee investigation, report, and possible proposed legislation.

COVERAGE FOR VISION CARE SERVICES

The American Optometric Association has pointed out that services rendered by a licensed optometrist which would be covered under most health insurance plans offered by carriers if the service were rendered by a doctor of medicine are not paid for because the insurance carriers do not define the practice of optometry.

The Civil Service Commission has heretofore refrained from attemptinfg to require a carrier to identify individual fields of medical or quasi-medical service for coverage on the grounds that the carrier should have freedom to determine what types of medical care should be covered.

The committee appreciates the position of the Commission; but in practice, permitting the insurance carriers to be the sole judge of what practitioners are covered results in charging the employee with costs for services which, had they been rendered by a different practitioner, would have been paid for by the carrier. The employee, therefore, loses protection which he has a right to expect as a subscriber and participant in the plan.

The committee instructs the Civil Service Commisison to consult with carriers to determine what steps can be taken to correct this situation. If carriers express unwillingness to recognize additional practitioners of these covered services, the Commission should advise the committee what legislation will be necessary to insure that employees have covered services paid for by their health benefits insurance.

COSTS

The present cost of the Federal employees health insurance program is $958 million a year. Assuming an increase of 12 percent in the cost of insurance effective in January 1971, the cost for the year 1971 to the Government because of the enactment of S. 1772 will be approximately $169 million.

PUBLIC HEARINGS

Public hearings on S. 1772 were held before the Subcommittee on Health Benefits and Life Insurance on April 29 and 30, 1969. The hearings were printed and are available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "An act to increase the contribution by the Federal Government to the cost of health benefits insurance and for other purposes."

Mr. BYRD of West Virginia subsequently said: Mr. President, I ask unanimous consent that the action of the Senate taken this morning in passing the bill (S. 1772), to provide that the Federal Government shall pay one-half the cost of health insurance for Federal employees and annuitants, be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJUSTMENT OF GOVERNMENT CONTRIBUTION FOR FEDERAL EMPLOYEE HEALTH BENEFITS

The bill (H.R. 16968) to provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1084), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The major purpose of the legislation is to relieve employees and annuitants from continuing to bear a disproportionately large share of the premium charges under the Federal Employees' Health Benefits program.

It is also the purpose to extend coverage under this program and the Federal Employees' Group Life Insurance program to non-citizen employees of the United States in the Panama Canal Zone; to permit Part B of Medicare to be a qualifying plan under the Retired Federal Employees' Health Benefits program; and to correct an inequity with respect to the survivors of employees who have less than five years of service.

SUMMARY OF H.R. 16968

Government contributions.—H.R. 16968 provides that effective in January 1971, and each year thereafter, the Government's share of the premiums charged under the Federal Employees' Health Benefits program will be

pegged to the high-option level of benefits, using a premium base representative of the different kinds of plans that participate. Each year the unweighted average of the high-option premiums for self only or for self and family of the two Government-wide plans, the two largest employee-organization plans, and the two largest prepayment group practice plans will be used to determine the maximum Government contribution to all plans and options. These six plans currently represent approximately 90 percent of all enrollments. The maximum Government contribution for all employees and annuitants would be fixed at 50 percent of such average. The Government contribution could not, however, exceed 50 percent of the premium charges for a plan's low-option level of benefits.

This proposal eliminates the maximum dollar amounts and expresses the Government contribution in terms of a percentage of total subscription charges. It has the added advantage of annual automatic adjustment. To illustrate, if it were applied to current 1970 high-option premiums, the monthly Government contribution for family enrollments would increase from $8.88 to $19.85, and for individual enrollments from $3.64 to $7.80. Beginning next January, though, premiums probably will be increased further, and the average for the six plans would be recomputed, with the Government contribution adjusted upward beyond the amounts cited.

It is the judgment of the Committee that to do less would perpetuate the unfair practice of requiring retirees and employees to bear the "lion's share" of incessantly rising costs. This legislation will put meaning into the funding formula by updating it in a manner to assure that the Government is at least striving to match private industry's trend toward providing its workers and pensioners cost-free health insurance.

Short-term employees.—The existing health benefits laws requires that in order for the surviving spouse or children of a deceased Federal employee to retain the health benefits protection accorded them during his lifetime, the decedent must have completed at least five years of service. However, Public Law 91–93, approved October 20, 1969, amended the civil service retirement law to grant annuity benefits to such survivors of employees who die in active employment after completing at least 18 months of service. To conform to that length of service modification, H.R. 16968 provides for the continuance of health benefits coverage to the survivor annuitants of such short-term employees. The amendment also applies to the survivors of an employee who dies as a result of a job-incurred injury or illness, and who are eligible for employee compensation benefits.

Canal Zone noncitizens.—From the enactment of the Federal Employees' Group Life Insurance Act in 1954 and the Federal Employees' Health Benefits Act in 1959, all noncitizen employees whose permanent duty stations are outside the United States have been excluded from coverage under both programs.

Noncitizen employees have constituted the bulk of our Government's work force in the Canal Zone during the digging of the Panama Canal and since its opening in 1914. They have performed loyally and well for the United States.

These exclusions have not been in consonance with the repeatedly enunciated public policy of assuring to Panamanian citizens employed by our Government in the Canal Zone equality of treatment with United States-citizen employees stationed in Panama. The promise of parity has been only partially achieved, primarily in the areas of wages and retirement coverage.

To fulfill the long-standing commitments of the United States contained in treaty negotiations and reaffirmed in subsequent Memoranda of Understandings—to make available to Panamanian employees the same governmental health and life insurance benefits as are available to United States-citizen employees—this legislation extends coverage under both the Federal Employees' Health Benefits and Federal Employees' Group Life Insurance programs to non-citizens actively employed by the United States in the Panama Canal Zone. This amendment, however, has no application to noncitizens permanently employed in other worldwide areas outside the United States and the Panama Canal Zone.

Part B, Medicare for certain retirees.—The Retired Federal Employees' Health Benefits Act, applicable to pre-July 1960 retirees and survivors, restricts a direct Government contribution to only those annuitants who subscribe to health insurance plans offered by nongovernmental organizations, and denies such contribution in the event he or she receives a Government contribution toward another plan.

This legislation amends Public Law 86–724 to the extent that Part B of the Medicare program will constitute a qualifying plan. Thus, some of this class of annuitants who are not receiving the Government contribution otherwise authorized, and some who are using it for nongovernmental-sponsored plans, will be eligible to receive the respective $3.50 or $7.00 monthly contribution to apply in payment of their share of supplementary medical insurance under the Medicare program.

The bill also authorizes the Civil Service Commission to waive the recovery of any such direct payments when, in the Commission's judgment, the annuitant is without fault and when recovery would be contrary to equity and good conscience.

BACKGROUND—FEDERAL EMPLOYEES' HEALTH BENEFITS PROGRAM

The Federal Employees' Health Benefits Act of 1959 (Public Law 86–382, approved September 28, 1959, chapter 89 of title 5, United States Code) established the largest voluntary group health insurance plan in existence in the United States, effective July 1, 1960. It made basic and major health protection available to Federal employees in active service on and after July 1, 1960, and to their families. Such group coverage was also extended to those (and their families) who would retire from active service thereafter.

The primary purpose of the legislation was to facilitate and strengthen the administration of the activities of the Federal Government generally and to improve personnel administration by providing a measure of protection for civilian Government employees against the high, unbudgetable, and, therefore, financially burdensome costs of medical services through a comprehensive Government-wide program of insurance for Federal employees and their dependents, the costs of which were to be shared by the Government, as employer, and its employees.

Since its inception, employees have had a free choice among plans in four major categories, including (1) a Government-wide service benefit plan offered by Blue Cross-Blue Shield, (2) a Government-wide indemnity plan offered by the insurance industry, (3) one of several employee organization plans, and (4) a comprehensive prepayment plan. The two Government-wide plans must offer at least two levels of benefits—a low option or "standard" policy and a high option or "preferred" policy. While the current 36 employee organization and prepayment plans may offer two levels of benefits, only 14 do so, the remaining 22 offering only a high option level. All plans allow for coverage for self alone, or for self and family.

Perhaps the program is unique when compared with traditional patterns in private industry, in that the employee has a broad range of choice between carriers and levels of benefits, and, to a lesser degree, may continue coverage into retirement. While the law prescribes, in general, the types of benefits to be provided under all plans, it authorizes the Civil Service Commission to contract with qualified carriers for such services, subject to any maximums, limitations, or exclusions considered necessary or desirable. However, it stipulates that the rates charged under all plans reasonably and equitably reflect the cost of the benefits provided, and that the rates of the two Government-wide plans be determined on a basis which is consistent with the lowest schedule of basic rates generally charged for new group plans issued to large employers.

In the development of the enabling legislation, congressional proponents favored a 50–50 employee-employer sharing of all costs and such a rate of contribution was included. However, because of the unknown factors inherent in an entirely new area of Federal employee fringe benefits in which the Government had no previous experience, and because of fiscal considerations, a limitation was placed on the maximum contribution to be paid by the Government. This maximum was geared to the least expensive Government-wide low option plan and a dollar limitation was imposed which, at that time, contemplated that a "standard" policy which would be adequate for most employees' needs could be purchased on a 50–50 sharing basis. It provided, further, that "preferred" policies be made available, but that those employees enrolling in high option or more expensive prepayment plans would pay the entire costs of the additional richer benefits.

In 1960 the initial distribution of enrollments between self-only and family coverage, between high and low options, and among the various 30-odd plans resulted in the Government's contributing approximately 38 percent of the aggregate premiums for all enrollments, with employees contributing 62 percent.

As time went on, this 38 percent Government share of the aggregate premium gradually diminished for two main reasons: (1) employees gravitated toward the more adequate high options; and (2) high-option premiums increased because the cost of medical care increased, improved benefits were made available, and a relatively high morbidity was experienced. In contrast, experience of the low options was very good because there was a strong tendency for healthy employees with healthy families to choose this less expensive coverage. Until recently, low-option premium rates remained fairly stable and the Government contribution, which was geared to these rates, could not be increased to reflect the increasing cost of medical care.

By 1966 the Government's share of the program's cost was down from 38 percent to 28 percent of the total average premium. Effective in August of 1966, Public Law 89–504 (5 U.S.C. 8906(a) and (b)) increased the maximum Government contribution so as to restore it, in effect, to the less-than-ideal initial 1960 level of 38 percent. However, premium increases (primarily for high options) in January of 1967, 1968, 1969, and 1970, have again diminished the Government's contributions to approximately 24 percent of present aggregate premiums. In fact, there are now only a few low-option plans in which the Government's contribution equals one-half of the total premium charges.

RETIRED EMPLOYEES' HEALTH BENEFITS PROGRAM

The Retired Federal Employees' Health Benefits Act of 1960 (Public Law 86–724, approved September 8, 1960) established a health benefits program, effective July 1, 1961, for Federal retirees and their dependents who were not eligible to enroll in the

Federal Employees' Health Benefits program because of their retirement prior to July 1, 1960.

Experienced gained from implementing the 1959 Act indicated the desirability of establishing (1) a single uniform Government-wide plan, rather than the multiplicity of plans developed under the active employee program; and (2) in order to meet the varying needs of retirees, to grant the option of a person retaining or enrolling in a private health benefits plan (subject to certain qualification requirements), with the Government's contribution to the cost being paid directly to the annuitant.

Pursuant to the statutory authority, the Civil Service Commission entered into a contract with the insurance industry (Aetna) for a uniform plan, in which the retiree had the option of electing a basic policy and/or a major policy. While the law provides a minimum $3 and a maximum $4 monthly Government contribution for self-only coverage, the Commission allows a Government contribution for self-and-family of $3.50 per month. The Government contributions for self-and-family is twice that amount, or $7 per month. These same contributions are generally paid to annuitants who elect a direct payment.

Subsequent to the advent of Medicare, the total premium charges for the Uniform plan have been substantially reduced, but the Government contribution has remained constant. In some cases the Government contribution is as much as two-thirds, whereas in others it ranges from one-third to one-half of the total charges.

This particular program will eventually cease to exist when the pre-July 1, 1960, retirees and their survivors become deceased.

STATEMENT

The Committee on Post Office and Civil Service considers the operation of the Federal employees' and annuitants' health benefits programs to be one of its most important responsibilities. In fulfillment of this responsibility, its Subcommittee on Retirement, Insurance, and Health Benefits recently conducted public hearings to review and evaluate the experience and administration of these programs, which are of vital importance to both the active and retired Federal workforce.

Enrollments under these programs approximate 2.8 million employees and annuitants, over 5½ million dependents, or a total of almost 8½ million persons. Benefits valued at approximately $800 million were provided during the calendar year 1969.

Under the Federal Employees' Health Benefits program, the two Government-wide plans account for 79 percent of total enrollment; employee organizations plans 15 percent; and prepayment plans 6 percent. About 84 percent of all enrollments are in the high option levels, and three-fourths of all enrollments are in the family category. Under the Retired Federal Employees' Health Benefit program, enrollments in the Uniform plan account for slightly less than half of the total persons covered.

The Committee has had a continuing concern over the sky-rocketing costs of providing health benefits protection under the programs within its jurisdiction. Medical care costs, including the cost of hospitalization, surgery, physician and nursing fees, drugs and medicines, and laboratory services, have spiraled in recent years and continue to accelerate faster than the prices of any other commodities or services.

In the post-World War II period charges for medical care have risen persistently. From 1946 thru 1969 the medical care component of the Consumer Price Index increased by 158 percent, to 258 percent of what it was in 1946. During the same years the index for all consumer items rose at a much slower rate, increasing comparatively by 88 percent.

Increases in medical care costs have particularly occurred since 1959. With a base period of 1957–59 equaling 100, the medical care index rose from 104.4 in 1959, the year in which the Federal Employees' Health Benefits program was enacted, to 159.0 in January of 1970. The "all items" index increased from 101.5 in 1959 to 131.8 in January of 1970. While the medical care index rose by an average rate of 4.7 percent annually during the 1950's, it is slowed somewhat during the early 1960's as medical care prices followed the generally slower rise of all service industry prices. In the late 1960's, however, medical care prices have increased at a much faster rate, rising 6.6 percent in 1966, 6.4 percent in 1967, 6.1 percent in 1968, and 6.9 percent in 1969.

A particularly disturbing fact is that daily hospital rates have been increasing more rapidly than any other component of the medical care price index, which increased 595 percent in the post-war period; that is, they increased to 695 percent of what they were in 1946. While physicians' fees increased 142 percent over the same period, the index for all consumer items increased 88 percent. Within the medical care component, hospital room rates rose especially sharply, increasing by 16.5 percent in 1966, and leaping further by an additional 15.5 percent in 1967.

The problem of escalating health care costs is common to all segments of the Nation, and it is apparent that the Committee's scope of activity cannot, unfortunately, effectively stop or minimize spiraling costs of medical care. Premiums must be sufficient to pay for the benefits provided, and rate increases must be approved annually in order to maintain the financial soundness of the plans participating in the Federal Employees' Health Benefits program.

As heath care costs rise, the portion of them not covered by insurance constitutes a greater burden for Government employees and annuitants. As premium charges rise to cover such costs, an additional financial burden is imposed upon these employees and retirees. Our concern is heightened by the fact that the enrollees have been repeatedly forced to assume all of the premium increases attributable to spiraling hospital and medical costs, due to the obsolete dollar limitations imposed upon the Government contribution in years past.

Since the inception of the program, the Government has made a uniform dollars-and-cents contribution to the enrollees' selected health insurance plan. In 1960 that monthly contribution of a self-and-family plan was $6.76, which was 50 percent of the cost of the least expensive Government-wide low option plan. Most participants did not choose low option benefits, however, but selected the more adequate high option coverage. Such preponderance of selection resulted in employees sharing more than 60 percent of the cost of their respective plans. As premium charges increased thereafter, because of the fixed maximum contribution, the Government's relative percentage of contribution declined to an average of 28 percent of total charges.

The individual's plight was slightly alleviated in 1966 when the uniform monthly Government contribution was increased to $8.88. Within a period of five short months, because of continuously rising premium charges, the Government's relative share again began to decline below an average of 38 percent of charges. In fact, during the program's ten-year history premium costs have increaesd by more than 120 percent, but enrollees' costs have increased by over 175 percent, while the Government's contribution, as a percentage of the total, has declined by 40 percent. The real inequity, attributable to the Government's fixed dollar contribution, is that employees and annuitants are presently paying over 75 percent of the costs of their medical insurance, whereas the Government is paying less than 25 percent of the total costs.

The Committee takes cognizance of a recent actuarial evaluation of the program made by Milliman and Robertson, Inc., regarded by the insurance industry as one of the country's leading consultants in the field. The consulting actuaries report stated:

It would seem desirable for the government to pay a larger part of the premium since the limitations now imposed have resulted in the decreasing percentage of contribution observed.

Recognizing the traditionally conservative nature of actuarial authorities, particularly in submitting such a report to the Government, the Committee feels the suggestion to be most compelling, the variable being the relative percentage of costs that the Government will equitably assume. In an apparent effort to indicate what funding role the Government should play, the actuarial consultants reported:

A review was made of seven very large employer plans that had been recently revised, and which have benefits comparable to the government-wide plans.

In all instances the employer paid part of the cost; in three instances the entire premium for both employees and dependents was paid by the employer; in only one case was the employee contribution more than $3.00 for an individual enrollment or $7.00 for a family enrollment.

It is the opinion of the Committee, supported by voluminous testimony, that the Federal Government, as a major employer, is lagging far behind major employers in the private sector in this important area of employee benefit programs. Evidence, confirmed by official Government statistics and analyses, shows that major industrial employers are paying most, if not all, of the cost of comparable health benefits protection for their workers. In acknowledging this relative position, and agreeing that an increase in the Government contribution is justified, the Administration recommended a measure of partial relief—that is, to increase the Government's contribution to a level comparable to what it was 10 years ago.

It is the consensus of the Committee, however, that the Government's maximum contribution under the Federal Employees' Health Benefits program be increased to a level at which it will share equally with most of the program's enrollees the premium charges for coverage, and that such cost-sharing ratio be maintained in future years.

COMMENTARY

During the course of hearings on this legislation, information was developed that the Service Benefit Plan sponsored by Blue Cross-Blue Shield still provides, in certain geographic areas, only a limited basic surgical-medical benefit if the subscriber's income exceeds a certain amount. Stated differently, the plan, in affected areas, provides the same dollar benefit for all subscribers. However, if the subscriber is under the income ceiling, the participating doctor must accept the benefit as payment in full; if the subscriber is over the income ceiling, the doctor can impose an additional charge which may be partly covered by supplemental benefits or not covered at all.

The Committee is aware that income ceilings at one time were the *modus operandi* of all local Blue Shield plans, but that income ceilings have been abandoned except in a very few localities, notably the local Blue Shield Plan in the Washington, D.C., metropolitan area—which probably serves more Federal employees than any other local plan. The Committee believes that income

ceilings are an anachronism, that they discriminate against Federal employees in areas where they are still applied, and strongly urges that they be eliminated forthwith.

Representations have been made to the Committee by the American Optometric Association that plans which participate under the Federal Employees' Health Benefits program do not include optometrists in their definition of the term "doctor". The significance of this exclusion is that a Federal employee who chooses to be treated by an optometrist for a condition that would be covered if treated by a physician, receives no health benefits for the expense involved.

The Committee views the recognition of various practitioners of the healing arts for licensing and insurance purposes, as falling within local or State, rather than Federal, jurisdiction and believes it inappropriate for the Congress to legislate concerning this matter. It is the Committee's understanding that the laws of many States already require insurance carriers to pay for the services of optometrists, who are not physicians, when these services would be covered if provided by a physician.

Although the Committee is not, for the reasons indicated, recommending legislation on this point, it is of the opinion that a Federal employee should not be denied benefits for a covered service because he chooses to have it performed by an optometrist, rather than a physician. It is recommended that the Civil Service Commission take appropriate action to inform carriers that the fact they are administering a Federal contract is no reason for circumventing compliance with applicable State laws.

The Committee also observes the favorable experience of the Retired Federal Employees' Health Benefits program's Uniform Plan. The hope is expressed that with such continued experience the Civil Service Commission will find it feasible to furthher reduce those annuitants' contributions and/or improve the extent of benefits provided, without any diminution of the Government contribution.

It is the Committee's belief that an educational program, well-conceived and widely broadcast among all participants and all carriers, will be of value in somewhat limiting the incessant trends toward increased costs. A resulting abatement of these trends may presumably result from the elimination of some unnecessary utilization of medical services or excessive charges for certain services. It is felt that such a program would be mutually beneficial to the employees and annuitants, the taxpayers, and the carriers. Should it not be feasible for the Civil Service Commission to conduct a program of this nature directly, it is recommended that the Commission exert its influence and prestige upon the participating carriers toward its development and implementation.

EFFECTIVE DATES

The amendments made by sections 1 and 4 are effective as specified in the sectional analysis. The amendments made by sections 2 and 3 are effective on the date of the enactment of this legislation.

COAST GUARD RESERVE LAWS

The bill (H.R. 13716) to improve and clarify certain laws affecting the Coast Guard Reserve was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1152), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to modify in several respects the law affecting the Coast Guard Reserve. In general, the modifications are designed not only to meet the particular problems of the Coast Guard, but also to conform more closely to practices obtaining in the other armed services.

The major change involves the substitution of a best qualified system of promotion as used in the other armed services for the present fully qualified system now in operation in the Coast Guard. The need for this arises from the composition of the Coast Guard Reserve which was established in 1941. A disproportionate number of officers entering at that time have arisen to the ranks of captain, commander, and lieutenant commander. The presense of large numbers of officers in those grades has seriously inhibited the promotion of younger officers from junior grades and has prevented the proper operation of the running-mate system. That system established a relationship between individual Reserve officers and those in the Regular Establishment. By reason of the disproportionate number of higher grade officers in the Reserves, the reservists are up to 4 years behind their running-mates in promotions and the gap is widening.

By the substitution of the selection method of best qualified, it is anticipated that this problem will be solved in a reasonable time and will increase the quality of the Reserve Officers Corps.

In view of the small size of the Women's Reserve, it is not practicable to utilize a corresponding system and, as a result, it has been determined that the continuation of a fully qualified promotion system with some modifications is most desirable. To achieve the best results, the fully qualified method of selection is retained, through the grade of lieutenant commander, and best qualified is substituted as the test above that grade. Again, in an effort to relieve the present stagnation, it is proposed to eliminate those officers who have twice failed of selection to a higher grade, thus making openings for the promotion of younger junior officers.

Another provision would assign an officer on the active duty promotion list as the running mate of a reservist not on the active duty promotion list, and it is believed that this will effect an administrative improvement. In this connection, the House of Representatives adopted a single amendment to H.R. 13716 with respect to Reserve officers who are commissioned on one date but not called to active duty until some later date. In order to correct an inequity that might otherwise occur in that situation, the House amended the bill to provide that the effective date of the reserve commission was the date of appointment.

Another provision is that Reserve admirals are limited to an active status for not more than 5 years. This will increase the opportunity of promotion for captains to flag rank and it is believed that such a time limit is desirable.

The committee is of the opinion that the bill will serve to increase the effectiveness of the reserve system in the Coast Guard.

COST OF LEGISLATION

Enactment of the legislation is projected to result in additional cost for pay and allowances of $38,000 in the first year of enactment. This cost should increase to zero over the next 4 years. The bill will also result in additional cost of $18,000 per year in retirement pay, to commence approximately 8 years in the future.

WATER RESOURCES RESEARCH ACT AMENDMENTS

The Senate proceeded to consider the bill (S. 3553) to amend the Water Resources Research Act of 1964 to increase the authorization for water resources research and institutes, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, at the beginning of line 6, strike out "'$250,000', and (B) by adding a sentence at the end of the subsection to read as follows: 'The amounts authorized to be appropriated by this subsection to assist each participating State shall be increased or decreased in fiscal year 1972 and each year thereafter in proportion to the average increase or decrease of the costs of such research and training as determined by the Secretary of the Interior in accordance with a suitable formula to reflect the average increase or decrease adjustments in Federal employee salaries as determined by the United States Civil Service Commission based on findings derived from Bureau of Labor Statistics figures comparing Federal salaries with industrial salaries.'" and insert "'$200,000.'"; and on page 2 after line 23, insert a new section, as follows:

SEC. 3. Section 306 of the Water Resources Research Act of 1964 is amended by inserting immediately before the period at the end thereof a comma and the following: "the District of Columbia, and the territories of the Virgin Islands and Guam."

So as to make the bill read:

S. 3553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 100(a) of the Water Resources Research Act of 1964 (78 Stat. 329; 42 U.S.C. 1961a), is amended (A) by striking out "$100,000" and inserting in lieu thereof "$200,000."

SEC. 2. The second sentence of section 100 (b) of the Water Resources Research Act of 1964 (78 Stat. 329; 42 U.S.C. 1961a) is amended by inserting after the word "problems", the following: "and scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research deemed potentially significant for solution of water resource problems, providing means for improved communication regarding such research results, including prototype operations, ascertaining the existing and potential effectiveness of such for aiding in the solution of practical problems, and for training qualified persons in the performance of such scientific information dissemination;".

SEC. 3. Section 306 of the Water Resources Research Act of 1964 is amended by inserting immediately before the period at the end thereof a comma and the following: "the District of Columbia, and the territories of the Virgin Islands and Guam."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–1153), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE MEASURE

As introduced, S. 3553 would amend the Water Resources Research Act (78 Stat. 329) to increase the amount authorized to be appropriated for a water resources research center in each of the States from $100,000 to $250,000 annually for each center. It also would provide for future automatic adjustments in the authorized amounts based upon Civil Rights Commission salary studies.

"TITLE V—FUNDS APPROPRIATED TO THE PRESIDENT

"Protection of visiting foreign dignitaries attending the observance of the 25th anniversary of the United Nations

"For expenses necessary to enable the President, through such officers or agencies of the Government as he may designate, and without regard to such provisions of law regarding the expenditure of Government funds as he may specify, to provide adequate security protection to foreign heads of state and other foreign dignitaries while visiting in the United States during or in connection with the 25th anniversary of the founding of the United Nations, $1,650,000."

And on page 16, line 3, strike out "Title V" and insert: "Title VI."

And on page 16, line 4, strike out "SEC. 501." and insert "SEC. 601."

Mr. BOGGS. Mr. President, I would like to give a short explanation of this amendment. We have just received this morning a message to the President of the Senate for the President of the United States requesting an appropriation of $1,650,000 to pay expenses for protection of visiting foreign dignitaries who will be attending the observance of the 25th anniversary of the United Nations. It is expected that about 60 heads of state will be at the United Nations in New York in October and some may arrive in late September. While the executive branch has been aware of the need to provide additional protection under the laws of the land for these official foreign visitors, it had not been decided whether to provide for the extraordinary expenses of additional protection by deficiency funding or a request for a special supplemental appropriations bill. This has caused the delay which resulted in our not receiving this budget request before the Appropriations Committee on Treasury and Post Office met in executive session to mark up the bill now before the Senate.

I think it should be made clear that the $1,650,000 requested is not for the salaries of any additional personnel; it is solely for the travel and other related expenses which will be incurred by the U.S. Secret Service and other agents and agencies of the Government in connection with the assignment of special protective personnel to the task of protecting the visiting heads of state. I understand that the assignment of such personnel will commence in early September and, therefore, there is an urgency for the passage of this appropriation.

Mr. President, I move that the amendment be adopted.

Mr. YARBOROUGH. Mr. President, I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. YARBOROUGH. Mr. President, if there are no further amendments to be proposed, I suggest a third reading of the bill.

Mr. GRIFFIN. Mr. President, will the Senator withhold that request, and have a quorum call? The Senator from Delaware (Mr. WILLIAMS) is on the phone.

Mr. YARBOROUGH. Does he have an amendment?

Mr. GRIFFIN. He may have. I do not know.

Mr. YARBOROUGH. Then, Mr. President, I withdraw my request for third reading, and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOGGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOGGS. Mr. President, the legislation before this body, H.R. 16900, Treasury post office and section of appropriation bill 1971, is a responsible and a responsive appropriations bill, I believe.

It is responsive to our overheated economy in that it does not appropriate any more money than necessary to operate the departments and offices involved efficiently. It is responsive to the needs of the taxpayers in that it provides a sound basis on which those agencies can operate effectively.

This is milestone legislation in one important aspect. It marks the last time the Post Office Department will come before the Congress with a budget request amounting in the billions of dollars.

As we all know, this body on June 30 voted 86 to 11 to create the U.S. Postal Service and give it great latitude in its own operation. Under that legislation, the Postal Service, beginning in fiscal year 1972, will be entitled to an appropriation of only 10 percent of the 1971 figure, amounting to about $825 million if this bill becomes law as now written. That 10 percent was designed to cover the vital public service costs of the mail system.

There are four titles to this bill, of which the Post Office Department is the second. This bill would appropriate $8,235,825,000 for the operation of that Department during fiscal year 1971. That figure is $272,806,000 more than in fiscal year 1970, but $42,434,000 below the budget estimates for fiscal year 1971.

It must be noted that the Department expects to realize $6,521,000,000 in revenues during the year, fixing out-of-pocket expenses at $1,714,825,000.

The increase in the 1971 appropriation amounts to about 3.4 percent of the 1970 budget. Measured against an expected 3-percent increase in mail volume during the year, this leaves a small margin for improvement of vital services.

Title I of the bill appropriates $1,222,122,000 for the Department of the Treasury. This figure is $54,660,000 more than last year, but $30,429,000 below the budget estimates for this year.

There are several noteworthy items in title I.

First, it includes $5 million for first-phase construction of the Federal Law Enforcement Training Center in Beltsville, Md. This center, when completed, will conduct recruit, advanced, specialized and refresher training for enforcement personnel of participating agencies.

Second, the bill provides $135.5 million for the Bureau of Customs, $10,869,000 more than in fiscal year 1970. This appropriation, I believe, is vital if we are ever to cut down on the flow of narcotics into this country and to lessen the customs congestion at our major ports of entry.

Finally, title I provides $890.5 million for the Internal Revenue Service, an increase of $31,143,000 over fiscal year 1970. This appropriation is vital, I believe, if the IRS is to provide prompt refunds and other taxpayer services and to assure compliance with the law.

Title III of the bill provides $30,765,000 for operation of the Executive office of the President. This is $5,451,000 higher than fiscal year 1970, but $190,000 below the budget estimates.

This budget represents an effort by the administration to produce a realistic budget document. It attempts to bring more full accountability into the budget process and to eliminate everywhere possible the reliance upon personnel loaned from other agencies.

And finally, title IV provides funds for several small independent agencies. It would appropriate $3,990,000 for the operation of the Administrative Conference of the United States, the Advisory Commission on Intergovernmental Relations, and the U.S. Tax Court.

In summation, Mr. President, this bill would appropriate $9,537,429,000 to the agencies involved in fiscal year 1971. That figure is $374,892,000 more than appropriated for fiscal year 1970, but $28,614,000 below the budget estimates for the current year.

I take this opportunity to especially compliment the distinguished chairman and manager of the bill, the Senator from Texas (Mr. YARBOROUGH), on the very fine job he has done and on his attention to his assignment as chairman of this important subcommittee. It has been a pleasure to work with him.

I also wish especially to compliment the members of the Appropriation Committee staff, particularly Mr. Joseph Gonzales, Mr. Clark, and the other members of the staff who worked with them and have been so helpful, for their fine contributions.

Mr. YARBOROUGH. Mr. President, I appreciate the remarks of the distinguished Senator from Delaware, and wish to express my appreciation to him.

In scheduling hearings on the bill, we never had any problem about time insofar as he was concerned. He held himself available at all times, and, as I think has come uot here in colloquy about some of the reasons for the delay as we discussed this transfer of funding, a different way of paying the personnel for President and Vice President, we have had a number of things to iron out. They have all been successfully ironed out, and the Senator from Delaware, with his unfailing courtesy, has assisted and was generous in all matters.

I have had the privilege of serving with the Senator from Delaware for years on the Post Office and Civil Service Committee, in addition to the Appropriations Committee, and it has always been a pleasure to serve with him. I would like to add that he hunts in my

State, and, now that I am going to have the opportunity to move back there, I hope to have the pleasure of hunting with him in the future.

Mr. BOGGS. I thank the Senator very much.

Mr. YARBOROUGH. Mr. President, if there are no further amendments, I suggest third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 16900) was read the third time.

The PRESIDING OFFICER (Mr. HART). The bill having been read the third time, the question, is, Shall it pass?

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. KENNEDY. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Mississippi (Mr. EASTLAND), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from North Carolina (Mr. JORDAN), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. Moss), the Senator from Georgia (Mr. RUSSELL), the Senator from Mississippi (Mr. STENNIS), the Senator from Maryland (Mr. TYDINGS), and the Senator from Ohio (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senators from Colorado (Mr. ALLOTT and Mr. DOMINICK), the Senator from Tennessee (Mr. BAKER), the Senators from Arizona (Mr. FANNIN and Mr. GOLDWATER), the Senator from Hawaii (Mr. FONG), the Senators from New York (Mr. GOODELL and Mr. JAVITS), the Senator from Florida (Mr. GURNEY), the Senator from California (Mr. MURPHY), the Senator from Oregon (Mr. PACKWOOD), the Senators from Illinois (Mr. PERCY and Mr. SMITH), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), the Senator from South Dakota (Mr. MUNDT), the Senator from California (Mr. MURPHY), the Senators from Illinois (Mr. PERCY and Mr. SMITH), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) would each vote "yea."

The result was announced—yeas 68, nays 0, as follows:

[No. 283 Leg.]

YEAS—68

Aiken	Gore	Muskie
Allen	Gravel	Nelson
Bayh	Griffin	Pastore
Bellmon	Hansen	Pearson
Bennett	Hart	Pell
Bible	Hatfield	Prouty
Boggs	Holland	Proxmire
Brooke	Hollings	Randolph
Burdick	Hruska	Ribicoff
Byrd, Va.	Hughes	Saxbe
Byrd, W. Va.	Jackson	Schweiker
Case	Jordan, Idaho	Scott
Church	Kennedy	Smith, Maine
Cook	Long	Sparkman
Cooper	Magnuson	Spong
Cotton	Mansfield	Symington
Cranston	Mathias	Talmadge
Curtis	McClellan	Thurmond
Dole	McGee	Tower
Eagleton	McGovern	Williams, N.J.
Ellender	McIntyre	Williams, Del.
Ervin	Miller	Yarborough
Fulbright	Montoya	

NAYS—0

NOT VOTING—32

Allott	Gurney	Murphy
Anderson	Harris	Packwood
Baker	Hartke	Percy
Cannon	Inouye	Russell
Dodd	Javits	Smith, Ill.
Dominick	Jordan, N.C.	Stennis
Eastland	McCarthy	Stevens
Fannin	Metcalf	Tydings
Fong	Mondale	Young, N. Dak.
Goldwater	Moss	Young, Ohio
Goodell	Mundt	

So the bill (H.R. 16900) was passed.

Mr. YARBOROUGH. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. BOGGS. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. YARBOROUGH. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes thereon and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. YARBOROUGH, Mr. BYRD of West Virginia, Mr. MCGEE, Mr. MONTOYA, Mr. BOGGS, Mr. ALLOTT, and Mr. FONG conferees on the part of the Senate.

AUTHORIZATION FOR CERTAIN ACTIONS TO BE TAKEN DURING THE LABOR DAY RECESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that Senate committees be authorized to report bills, together with minority, supplemental, and individual views on Friday, September 4, 1970, between the hours of 9 a.m. and 1 p.m. o'clock, during the Labor Day recess.

I also ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that the President pro tempore and Acting President pro tempore be authorized to sign duly enrolled bills during the adjournment of the Senate during the Labor Day holiday until September 8.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJUSTMENT OF GOVERNMENT CONTRIBUTION WITH RESPECT TO HEALTH BENEFITS COVERING FEDERAL EMPLOYEES AND ANNUITANTS—ENTRY OF MOTION TO RECONSIDER

Mr. BYRD of West Virginia. Mr. President, I enter a motion to reconsider the vote by which H.R. 16968 was passed earlier today and I move that the Secretary of the Senate be instructed to request the House of Representatives to return the message on that bill to the Senate.

The PRESIDING OFFICER. The motion to reconsider is entered, and without objection, the motion to instruct the Secretary of the Senate is agreed to.

MILITARY PROCUREMENT AUTHORIZATIONS—ADDITIONAL COSPONSOR OF AMENDMENT

Mr. BYRD of West Virginia. Mr. President, at the request of the majority leader, the Senator from Montana (Mr. MANSFIELD), I ask unanimous consent that his name be added as a cosponsor of the amendment of the Senator from New Hampshire (Mr. MCINTYRE), which was adopted by the Senate on Friday last to the military procurement authorization measure. Through inadvertence, there was a failure to request that the Senator's name be added as a cosponsor at the time when he spoke in favor of the proposal which embraced section 203 of last year's act and the new section 207. The amendment was on page 14, immediately above line 19, of the military procurement authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. At the request of the majority leader, I ask unanimous consent that the Journal and the permanent RECORD reflect this cosponsorship.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL SHARE INSURANCE FOR CREDIT UNIONS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1140, S. 3822. I do this so that it will become the pending business, with no action to be taken on it today.

The PRESIDING OFFICER (Mr. HART). The bill will be stated by title.

The legislative clerk read as follows:

S. 3822, to provide insurance for member accounts in State and Federally chartered credit unions, and for other purposes, reported with amendments.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

(2) By 22 yeas to 71 nays (motion to reconsider tabled), modified Proxmire amendment No. 754, barring use of funds to send draftees to Vietnam unless they volunteer for such duty;

(3) By 29 yeas to 62 nays (motion to reconsider tabled), modified Muskie amendment No. 811, to require the prime contractors (Litton Industries) for construction of 30 DD–963 class destroyers to divide substantially equally the contract for construction of such ships with a subcontractor; and

(4) By 7 yeas to 87 nays (motion to reconsider tabled), Fulbright amendment No. 868, relating to the jurisdiction of the Committee on Foreign Relations over legislation affecting foreign military sales.

Pages S 14839–S 14900

Clean Air and Solid Waste Disposal: Senate took up and passed an original bill, S. 4319, to extend for a period of 90 days the Clean Air Act and the Solid Waste Disposal Act. Page S 14897

Appropriations—Treasury-Post Office: By unanimous vote of 68 yeas (motion to reconsider tabled), Senate passed H.R. 16900, fiscal 1971 appropriations for the Treasury and Post Office Departments, the Executive Office of the President and several independent agencies, after adopting all committee amendments, and amendments by Senator Boggs (1) of a technical correcting nature, and (2) appropriating $1,650,000 for protection of visiting dignitaries attending observance of the 25th anniversary of the U.N.

Senate insisted on its amendments, requested conference with the House, and appointed as conferees Senators Yarborough, Byrd of West Virginia, McGee, Montoya, Boggs, Allott, and Fong.

Pages S 14900–S 14908

Legislative Program: Leadership announced legislative program for after Labor Day recess.

Page S 14900

Credit Unions: Senate laid down and made its pending business S. 3822, to provide insurance for member accounts in State and federally chartered credit unions.

Page S 14908

Senate Authorizations: By unanimous consent, Senate committees are authorized to report bills, together with minority, supplemental, and individual views on Friday, September 4, between the hours of 9 a.m. and 1 p.m.; and the Secretary of the Senate is authorized to receive messages from the President and the House of Representatives, and the President pro tempore and Acting President pro tempore are authorized to sign duly enrolled bills during the adjournment of the Senate until September 8. Page S 14908

Government Employees Health Benefits: S. 1772 and H.R. 16968, companion bills to provide that the Federal Government pay a portion of the cost of health insurance for Federal employees and annuitants, were passed earlier in the day on the call of the calendar of unobjected-to bills, which actions were later nullified by adoption of (1) motion to reconsider vote by which H.R. 16968 was passed and instruction of Secretary of the Senate to request its return from the House, and (2) motion to vacate action by which S. 1772 was passed.

Pages S 14732–S 14736, S 14908

Confirmations: Senate confirmed the nomination of Dwight Dickinson, of Rhode Island, to be Ambassador to the Republic of Togo; Emory C. Swank, of the District of Columbia, to be Ambassador to Cambodia; Nicholas G. Thacher, of California, to be Ambassador to the Kingdom of Saudi Arabia; L. Dean Brown, of the District of Columbia, to be Ambassador to the Hashemite Kingdom of Jordan; Charles H. Harley, of Maryland, to be U.S. Alternate Executive Director of the International Monetary Fund; Artemus E. Weatherbee, of Maine, to be U.S. Director of the Asian Development Bank; Laurence H. Silberman, of Hawaii, to be Under Secretary of Labor; Peter G. Nash, of New York, to be Solicitor for the Department of Labor; two Army in the rank of general; and routine nominations in the Air Force, Army, Navy, and Marine Corps.

Page S 14909

Record Votes: Six record votes were taken today.

Pages S 14859, S 14866, S 14880, S 14889, S 14899, S 14908

Program for Wednesday: Senate met at 8 a.m. and adjourned at 6:09 p.m. until 9 a.m., Wednesday, September 2, when it will consider unobjected-to measures on the legislative calendar, at the conclusion of which Senate will resume consideration of S. 3822, to provide insurance for member accounts in State and federally chartered credit unions. Pages S 14900, S 14909

Committee Meetings

(*Committees not listed did not meet*)

SMALL BUSINESS

Committee on Banking and Currency: Committee announced that it had reported an original bill (S. 4316), to clarify and extend the authority of the Small Business Administration.

FAMILY ASSISTANCE

Committee on Finance: Committee continued hearings on H.R. 16311, proposed Family Assistance Act of 1970, receiving testimony from David L. Daniel, James A. Glover, Howard Rourke, Bernard F. Hillenbrand, and Ralph L. Tabor, all representing the National Association of Counties; Carl Stokes, mayor of Cleveland, representing the National League of Cities and U.S. Conference of Mayors; Dr. Seymour Wolfbein and Karl Schlotterbeck, both representing the Chamber of Commerce of the United States; and Clark W. Blackburn, Family Service Association of America.

Hearings continue on Wednesday, September 9.

WORLD ENVIRONMENT

Committee on Foreign Relations: Committee held hearings on S. Res. 399, to express sense of the Senate concerning the creation of a World Environmental Institute to study worldwide environmental problems, receiving testimony from Senator Magnuson.

Hearings were adjourned subject to call of the Chair.

EXECUTIVE REORGANIZATION

Committee on Government Operations: Subcommittee on Executive Reorganization and Government Research resumed hearings on Reorganization Plan No. 4 of 1970, to establish a National Oceanic and Atmospheric Administration in the Department of Commerce, receiving testimony from Andrew M. Rouse, Advisory Council on Executive Reorganization; Louis S. Clapper, National Wildlife Federation; Dr. Roland C. Clement, National Audubon Society; and Dr. Joseph W. Penfold, Izaak Walton League.

Hearings were adjourned subject to call of the Chair.

CONSUMER PROTECTION

Committee on the Judiciary: Committee continued hearings on S. 3201, proposed Consumer Protection Act, receiving testimony from Clinton Bamberger, dean, University of Pennsylvania School of Law; Anthony Z. Roisman, Consumer Federation of America; Thomas A. Rothwell, special counsel, National Small Business Association; James D. Cope, Dan F. O'Keefe, Jr., and William F. Weigel, all representing the Proprietary Association.

Hearings were adjourned subject to call of the Chair.

OBSCENE MAIL

Committee on Post Office and Civil Service: Committee concluded hearings on S. 3220, to protect a person's right of privacy relating to the receipt of obscene or offensive mail, after receiving testimony from Senator Mansfield; David A. Nelson, General Counsel, William L. Lawrence, Assistant General Counsel, and Charles A. Miller, Assistant Chief Postal Inspector, Criminal Investigations, all of the Post Office Department; and Lawrence Speiser, American Civil Liberties Union. Senator Goldwater submitted a statement for the record.

AIR POLLUTION

Committee on Public Works: Committee continued in executive session to consider a proposed bill relating to the control of air pollution and establishment of air quality standards (amendments to the Clean Air Act embodying certain provisions of S. 3229, 3466, and 3546), but did not conclude action thereon, and will meet again on Thursday, September 10.

Also, committee announced that it had reported an original bill (S. 4319) to extend for a period of 90 days the Clean Air Act and the Solid Waste Disposal Act.

DE FACTO SEGREGATION

Select Committee on Equal Educational Opportunity: Committee resumed its series of hearings concerning the origins and causes of de facto segregation, receiving testimony on the relationship of housing to segregation from James H. Harvey and John Pride, Housing Opportunities Council, Washington, D.C.; Dr. Anthony Downs, Real Estate Research Corp., Chicago; Leon Weiner, Wilmington, Del.; and Manuel P. Mendez, Anaheim, Calif.

Hearings were adjourned subject to call of the Chair.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of September 9, 1970
91st-2nd; No. 156

CONTENTS

HIGHLIGHTS: Sen. Smith offered amendment to farm bill.
Sen. Moss published his dairy import protest to Tariff Commission.
Rep. Conte criticized farm bill reported by Senate Committee.
Rep. Dingell inserted articles critical of USDA's stand on DDT and on biological control of insects.
Rep. Mahon included release highlighting July 1970 civilian personnel report.

HOUSE

1. FARM BILL. Rep. Conte expressed opposition to the proposed Agriculture Act of 1970 as reported by the Senate Committee on Agriculture, stating it was "loaded with goodies for special interests, especially for cotton", inserting articles in support of his position and a copy of the Secretary's letter of August 31 to Chairman Ellender. pp. H8471-3

2. REPORTS FILED. Committee on Education and Labor filed a report on H. R. 17555, with amendment, to further promote equal employment opportunities for American workers (H. Rept. 91-1434);

Committee on Ways and Means filed a report on H. R. 18970, to amend the tariff and trade laws of the United States (H. Rept. 91-1435);

Select Committee on Small Business filed a report on "Rural and Urban Problems of Small Businessmen" (H. Rept. 91-1436);

Committee on Interior and Insular Affairs filed reports on:

H. R. 12870, with amendments, to provide for the establishment of the King Range National Conservation Area in California (H. Rept. 91-1440);

H. R. 19007, designating certain lands as wilderness (H. Rept. 91-1441);

S. 719, with amendments, establishing a national mining and minerals policy (H. Rept. 91-1442);

S. 3777, authorizing the Secretary of the Interior to enter into contracts for the protection of public lands from fires, in advance of appropriations therefor, and to twice renew such contracts (H. Rept. 91-1443). pp. H8502-3

3. APPROPRIATIONS. Disagreed to Senate amendments to H. R. 16900, FY 71 Treasury and Post Office appropriation bill, and to H. R. 17575, FY 71 State, Justice, and Commerce appropriation bill. Conferees were appointed on both bills. pp. H8424-5; H8427

4. HEALTH BENEFITS. Agreed to return H. R. 16968, providing for increased Government contribution to Federal employees and annuitants health insurance costs, to the Senate, as requested. p. H8426

5. GOVERNMENT PAY. Passed H. R. 17809, with amendment, providing an equitable system for setting Federal blue collar workers pay. pp. H8426-50

6. POLLUTION. Rep. Vanik announced his intention of submitting an amendment to the Administration's tax proposals to impose an increased excise tax on polluting automobiles. p. H8476

Rep. Fallon placed in the Record an article by Arthur Godfrey, "Confessions of a Polluter", citing it as an example of an outstanding contribution to the fight against pollution. pp. H8478-80

7. RECLAMATION. Received a report from the Interior Department on the reclassification of lands in the Midvale Irrigation District of the Riverton project, Wyoming; to the Committee on Interior and Insular Affairs; and

Received a transmitting notification from the Interior Department on the receipt of a project proposal for the Graham-Curtis project of Safford, Ariz.; to the Committee on Interior and Insular Affairs. p. H8501

8. WILDLIFE. Received a publication from the Department of the Interior, "Handbook of Toxicity of Pesticides to Wildlife"; to the Committee on Merchant Marine and Fisheries. p. H8502

ments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? The Chair hears none and appoints the following conferees: Messrs. STEED, PASSMAN, ADDABBO, COHELAN, MAHON, ROBISON, CONTE, EDWARDS of Alabama and BOW.

USE OF RESERVISTS AND GUARDSMEN

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, Secretary of Defense Laird has taken a realistic course in his plans to use reservists and guardsmen to bolster U.S. military forces where additional personnel are needed. For some unaccountable reason, very little use has been made of the Reserve components, other than Air Force, for a number of years. Apparently this has been a carryover from the efforts of Secretary McNamara to downgrade the reserves and to reduce reliance upon these forces in times of national emergency. Substantial sums are required for the training and equipping of the Reserve components and it makes sense to utilize their services where and when they are needed. The Reserve components are the least costly of all our military forces, they maintain a constant state of readiness, and they are composed of dedicated individuals. I am confident the units will welcome an opportunity to serve and that the Secretary's action in reducing dependence upon the draft will evoke a good response throughout the country.

URGES ACTION ON HOUSE CONCURRENT RESOLUTION 340 WHICH CALLS FOR MANDATORY EXTRADITION AND TRIAL OF AIRPLANE HIJACKERS

(Mr. PUCINSKI asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. PUCINSKI. Mr. Speaker, 69 Members of this House from both sides of the aisle are now cosponsoring House Concurrent Resolution 340 which I introduced a year ago calling for the State Department to negotiate bilateral treaties with as many countries as possible for mandatory extradition of hijackers and requiring that such hijackers be tried for the crime of hijacking.

I hope that the House will pass this resolution without any delay for, indeed, the wave of terrorism that is now sweeping the world can no longer be ignored by anybody.

We have had 79 hijackings so far this year, and 250 altogether.

Mr. Speaker, the thing that disturbs me most is that in aviation circles today, among the foremost American jet pilots, there are reports that some of our own American revolutionaries are planning to hijack American jet airplanes and fly them to North Vietnam and China.

We can no longer tolerate this. The American Pilots Association and the International Federation of Pilots are both supporting House Concurrent Resolution 340, and both have indicated that if such treaties are negotiated, they will boycott those countries which refuse to sign such treaties for mandatory extradition of hijackers by refusing to fly into or out of such countries.

So, Mr. Speaker, it is my hope that this resolution will be adopted forthwith.

As I said, Mr. Speaker, 69 Members are cosponsoring the resolution, and it would be my hope that we have no delay in either hearings or adoption of this resolution as a significant contribution toward dealing with this international piracy and wave of terrorism now sweeping the world.

POSTPONEMENT OF HEARINGS BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

(Mr. PRICE of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE of Illinois. Mr. Speaker, I regret to announce postponement of the hearings previously scheduled by the Committee on Standards of Official Conduct for September 10, 15, 16, and 17 on operation of the present laws on lobbying practices.

Prospective witnesses have advised the committee that they cannot arrange to appear on those dates, principally because they say they cannot prepare the type of presentations they want to submit in this short length of time.

We hope to reschedule the hearings as soon as dates satisfactory to all parties can be arranged, hopefully early in October.

The hearings had been scheduled in response to a resolution, which the House adopted last month, directing the committee, which I have the honor to chair, to conduct investigations and studies looking to possible remedial legislation in the areas of lobbying and campaign finances. The committee decided to treat the two subjects separately and announced the first series of hearings would deal with lobbying.

The decision to postpone these hearings temporarily came about in response to requests from several interested organizations whose spokesmen asked for more time in which to prepare their testimony.

We want to accommodate everyone we possibly can, not only those private groups most concerned with operation of the present lobbying statutes but Members of the House as well, many of whom have just returned to Washington following the recess.

DIFFERENCES IN DESEGREGATION BETWEEN THE NORTH AND SOUTH

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, elementary and secondary schools across Alabama are opening their doors for the new school year amid statements by the Nixon administration that almost all schools are being completely desegregated. There are, however, vast differences between the methods used in the North and South.

Recently, two articles relating to schools appeared in an Alabama newspaper on the same day. One told of a Federal court judge in Mobile ordering two county school systems to implement an amended desegregation plan after the freedom of choice method was ruled out. The other article quoted the Honorable George Romney, Secretary of the Department of Housing and Urban Development, telling 40 suburban mayors at a meeting in Warren, Mich., that his Department has no plans to force racial desegregation on their cities. Mr. Romney said and I quote:

> Nobody should be pressured to go anywhere—it is the essence of a free society that every family should have a choice.

Mr. Speaker, I respectfully ask why that choice should be in effect for residents of Michigan but not for Alabamians.

CORRECTION OF VOTE

Mr. MIKVA. Mr. Speaker, on August 13, 1970, when the House agreed to the conference report on S. 3302, Defense Production Act amendments, I was present and voted "yea." However, I am incorrectly recorded as having not voted on that vote, rollcall No. 280. I ask unanimous consent that the permanent RECORD and Journal be corrected to show that I was present for rollcall No. 280 and that I voted "yea."

The SPEAKER. Without objection it is so ordered.

There was no objection.

FILLING THE GAPS IN FEDERAL CIVIL RIGHTS LAWS

(Mr. MIKVA asked and was given permission to address the House for 1 minute.)

Mr. MIKVA. Mr. Speaker, on August 13, just prior to the recent recess, I introduced two bills, H.R. 18976 and H.R. 18977, to amend the Civil Rights Act of 1964.

The introductory statement relating to these bills, along with supporting correspondence with the U.S. Civil Rights Commission, appears on pages E7656–64 of the August 14, 1970, CONGRESSIONAL RECORD. In the introductory statement, I name seven of our colleagues who had agreed to cosponsor with me the two bills described above. These Members are Mr. BROWN of California, Mr. BURTON of California, Mrs. CHISHOLM, Mr. CONYERS, Mr. FRASER, Mr. ROSENTHAL, and Mr. RYAN. Although these Members had agreed to cosponsor the bills and although their names were mentioned in my introductory remarks, they were inadvertently, through a clerical error, omitted as cosponsors when the bills themselves were introduced.

Because of the omission of the names of the seven cosponsors on H.R. 18976 and H.R. 18977, I am today reintroducing those two bills, with no changes

except the addition of the seven cosponsors.

INTERNATIONAL AIRPLANES' HIJACKINGS MUST BE STOPPED

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GERALD R. FORD. Mr. Speaker, the airplane hijacking situation has reached international crisis proportions. The world community must act—and act quickly—not only to obtain the release of the hijack victims now being held hostage by Arab commandoes in Jordan but to prevent or at least deter future hijackings.

It would seem that agreement could be reached by the nations involved, not only on the matter of punishment for hijackers taken into custody but also on security measures which could be adopted to nip incipient hijackings in the bud.

To that end I urge that the countries which figure in airplane hijackings—actual or attempted—agree on a number of preventive measures which some have already adopted at least in part.

I suggest the placing of armed plain clothes security guards on all international commercial flights, searching baggage and the persons of passengers in some cases, and instituting an airlines personnel security program.

It is my information that U.S. airlines are employing a passenger profile or screening system which eliminates hijacking suspects among airline passengers down to approximately one-half of 1 percent. The rest of the passengers then go through a magnetometer check to see if they are carrying any weapons or bombs.

Now the Federal Aviation Administration and the airlines are talking about an actual physical search of suspected hijackers on certain risk flights. I urge that such action be taken.

Another proposal with considerable merit is a boycott by the International Pilots Association of any country harboring hijackers. A boycott of this kind could not very well be instituted by a government without offending the other government involved, but it might well be carried out by an organization like the IPA.

Mr. Speaker, there is no question that action must be taken to put a stop to international airplane hijackings. This is a matter of the greatest urgency and one that calls for the highest degree of international cooperation.

ADMINISTRATION IS ACUTELY AWARE OF CRITICAL HIJACKING SITUATION

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, as a follow-up to the remarks of the gentleman from Michigan, Mr. GERALD R. FORD, I think that the public should know that this administration is acutely aware of the critical hijacking situation across this Nation and the world.

I attended a meeting at the Federal Aviation Administration this morning which was attended by more than 25 representatives, including the Airlines Pilots Association, the Department of Transportation, the IATA organization, and some of the major airlines, at which time this overall problem was discussed in depth.

At the same time there was another high-level meeting at the White House, where the President, of course, expressed his very deep concern, and I would expect momentarily that there will be a statement issued that would pretty well follow the suggestions made by the gentleman from Michigan having to do, perhaps, with the use of sky marshals, armed personnel from the Department of Transportation or from the FBI or from the FAA or from the Department of Defense, some in uniform, and some out of uniform, but some armed persons to fly aboard, not only the international but also the domestic carriers.

I attended this meeting as the ranking minority member of the Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce, which has jurisdiction in this overall area.

ADJUSTMENT OF GOVERNMENT CONTRIBUTION WITH RESPECT TO HEALTH BENEFITS COVERAGE OF FEDERAL EMPLOYEES AND ANNUITANTS—RETURN OF H.R. 16968 TO THE SENATE

The SPEAKER laid before the House the following communication from the Secretary of the Senate:

IN THE SENATE OF THE UNITED STATES,
September 1, 1970.

Ordered, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (H.R. 16968) entitled "An act to provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes".

Attest:

FRANCIS R. VALEO,
Secretary.

Mr. DULSKI. Mr. Speaker, I move that the request of the Senate be agreed to.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DULSKI. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, will the gentleman explain to the House briefly the nature of this legislation and the reason for the Senate asking the papers and this bill be sent back to that body?

Mr. DULSKI. Mr. Speaker, I will be happy to.

On September 1, the Senate, by unanimous consent, passed S. 1772, which would increase the Government's contribution toward the premium of Federal employee health insurance.

The two major differences between the Senate-passed bill and the House-passed bill—H.R. 16968—are: First, the Government contribution would be 40 percent of the premium whereas the House bill would be 50 percent; and second, the Senate bill would be effective on October 1, 1970, whereas the House bill would be effective on January 1, 1971.

It is our understanding that immediately upon passage of the Senate bill, it was intended that the Senate take up the House bill, strike out all after the enacting clause, and amend it to include the provisions of the Senate-passed bill, S. 1772.

However, the action on the floor of the Senate was to adopt the House bill without the amendment to include the Senate language.

Subsequently, when it was realized what had actually happened, a motion was approved in the Senate that the Secretary of the Senate be instructed to request the House to return the message on the House bill—H.R. 16968. The Secretary has made such a request that the House bill be returned to the Senate for consideration.

It also is our understanding that upon return of the House bill, a motion will be made in the Senate to amend the House bill by inserting the language of the Senate-passed bill. The House bill with the Senate amendment would then be returned to the House for further consideration.

This gives the details of what happened in the Senate.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. DULSKI. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, in other words, the other body took up the bill, apparently on the call of the calendar, and by unanimous consent, without debate, passed a bill that was faulty and now asks its return by the House.

Mr. DULSKI. That would be correct, in substance.

Mr. GROSS. I thank the gentleman for yielding.

Mr. DANIELS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. DULSKI. I yield to the gentleman from New Jersey.

Mr. DANIELS of New Jersey. I thank the distinguished chairman of the Committee on Post Office and Civil Service for yielding.

It seems to me that the other body demonstrated remarkable perspicuity in passing H.R. 16968, the House-approved health benefits bill, without amendment. I deeply regret that the other body now feels that its action was in error and has formally requested return of the bill for further consideration. However, I shall not oppose the extension of this courtesy to the other body.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

A motion to reconsider was laid on the table.

PREVAILING RATE PAY SYSTEMS FOR GOVERNMENT EMPLOYEES

Mr. DULSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 17809) to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

For actions of September 10, 1970
91st-2nd; No. 157

CONTENTS

HIGHLIGHTS: Rep. Kleppe urged a rational approach to pesticide problem.

HOUSE

1. BILLS PASSED. H.R. 9804, with amendment, authorizing the construction of supplemental irrigation facilities for the Yuma Irrigation District, Arizona. This passage was subsequently vacated and S. 2882, a similar Senate-passed bill, was passed in lieu after being amended to contain the language of the House bill as passed. pp. H8536-9; and

   H.R. 16987, authorizing the construction, operation, and maintenance of the Minot extension of the Garrison diversion unit of the Missouri River Basin project, North Dakota, with amendments. This passage was subsequently vacated and S. 2808, a similar Senate-passed bill, was passed in lieu after being amended to contain the language of the just-passed House bill. pp. H8539-42; and

   H.R. 7521, reauthorizing the Riverton extension unit, Missouri River Basin project, to include the entire Riverton Federal reclamation project, with amendments. This passage was subsequently vacated and S. 434, a similar Senate-passed bill was passed in lieu after being amended to contain the language of the House bill as passed. pp. H8542-8; and

   H.R. 10874, with committee amendments, establishing the Gulf Islands National Seashore. pp. H8548-53; and

   H.R. 13001, with committee amendments, amending the act of June 13, 1962, with respect to the Navajo Indian irrigation project. This passage was subsequently vacated and S. 203, a similar Senate-passed bill, was passed in lieu after amendment to contain the language of the House-passed bill. pp. H8553-7; and

   H.R. 9306, establishing the Apostle Islands National Lakeshore. This passage was subsequently vacated and S. 621, a similar Senate-passed bill, was passed in lieu after amendment to contain the language of the just passed House bill. pp. H8557-68

2. LEGISLATIVE PROGRAM. Rep. Albert announced that H.R. 13543, establishing a wheat research and promotion program, and H.R. 18686, authorizing the transfer of burley tobacco acreage allotments, will be among bills considered on the Consent Calendar on Monday, Sept. 14. pp. H8568-9

3. HEALTH BENEFITS. Agreed to Senate amendments to H.R. 16968, providing an increased Federal contribution to the cost of health insurance of Federal employees and annuitants; with an amendment, and returned the bill to the Senate. pp. H8521-3

4. SOLID WASTE. Disagreed to Senate amendments to H.R. 11833, providing financial assistance for the construction of solid waste disposal facilities, and improving research programs pursuant to such act. Conference was requested and conferees appointed. p. H8523

NAYS—32

Ashbrook	Devine	Montgomery
Betts	Duncan	Passman
Byrnes, Wis.	Erlenborn	Rarick
Camp	Foreman	Rhodes
Chamberlain	Goodling	Sandman
Clawson, Del	Gross	Schmitz
Collins	Hunt	Smith, Calif.
Conable	Marsh	Whalley
Crane	Martin	Williams
Davis, Wis.	Michel	Wylie
Dennis	Mize	

NOT VOTING—115

Anderson, Calif.	Fountain	Pickle
	Fraser	Powell
Anderson, Ill.	Frey	Preyer, N.C.
Anderson, Tenn.	Friedel	Price, Tex.
	Fulton, Tenn.	Pryor, Ark.
Aspinall	Giaimo	Purcell
Beall, Md.	Gibbons	Quie
Berry	Goldwater	Rees
Blackburn	Hagan	Riegle
Blatnik	Hall	Rivers
Brock	Halpern	Rogers, Colo.
Buchanan	Hanna	Roudebush
Burke, Fla.	Hansen, Wash.	Rousselot
Burleson, Tex.	Hays	St Germain
Burton, Utah	Hébert	Scherle
Bush	Hicks	Schneebeli
Button	Jones, Ala.	Sebelius
Cabell	Jones, Tenn.	Sikes
Carey	Keith	Sisk
Casey	Kuykendall	Skubitz
Chisholm	Landgrebe	Snyder
Clancy	Landrum	Stephens
Corman	Long, La.	Stokes
Cowger	Lowenstein	Stubblefield
Cramer	Lujan	Taft
Daddario	McCarthy	Thompson, Ga.
Daniel, Va.	McCulloch	Tunney
Davis, Ga.	Macdonald, Mass.	Van Deerlin
Dawson		Watson
de la Garza	MacGregor	Whalen
Delaney	Madden	White
Dent	Melcher	Whitehurst
Dowdy	Meskill	Wiggins
Edwards, Ala.	Miller, Calif.	Wilson, Charles H.
Edwards, La.	Monagan	
Esch	Morton	Wold
Fallon	Murphy, N.Y.	Wright
Feighan	Ottinger	Yatron
Findley	Pelly	Young
Flynt	Pepper	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Anderson of Illinois.
Mr. Hays with Mr. Morton.
Mr. Burleson of Texas with Mr. Cramer.
Mr. Daddario with Mr. Meskill.
Mr. Cabell with Mr. Price of Texas.
Mr. Anderson of California with Mr. Kuykendall.
Mr. Dent with Mr. Beall of Maryland.
Mr. Blatnik with Mr. Riegle.
Mr. Ottinger with Mr. Roudebush.
Mr. Friedel with Mr. Scherle.
Mr. Fallon with Mr. Skubitz.
Mr. Giaimo with Mr. Pelley.
Mr. Pryor of Arkansas with Mr. Wold.
Mr. Rivers with Mr. Wiggins.
Mr. Sisk with Mr. Goldwater.
Mr. Fulton of Tennessee with Mr. Brock.
Mr. Monagan with Mr. Clancy.
Mr. Miller of California with Mr. Cowger.
Mr. Tunney with Mr. Powell.
Mr. Macdonald of Massachusetts with Mr. Taft.
Mr. Jones of Tennessee with Mr. Bush.
Mr. Corman with Mr. Halpern.
Mr. Daniel of Virginia with Mr. Burton of Utah.
Mr. Davis of Georgia with Mr. Buchanan.
Mr. Dowdy with Mr. Berry.
Mr. Fountain with Mr. Burke of Florida.
Mr. Rogers of Colorado with Mr. Edwards of Alabama.
Mr. St Germain with Mr. Lujan.
Mr. Melcher with Mr. Esch.
Mr. Charles H. Wilson with Mr. Rousselot.
Mr. White with Mr. McCulloch.
Mr. Van Deerlin with Mr. Whalen.
Mr. Anderson of Tennessee with Mr. Findley.
Mr. Aspinall with Mr. Hall.
Mr. Landrum with Mr. Blackman.
Mr. Yatron with Mr. MacGregor.
Mr. Delaney with Mr. Button.
Mr. Carey with Mr. Quie.
Mr. de la Garza with Mr. Snyder.
Mr. Edwards of Louisiana with Mr. Frey.
Mr. Hanna with Mr. Schneebeli.
Mr. Lowenstein with Mrs. Chisholm.
Mr. Purcell with Mr. Sebelius.
Mr. Stephens with Mr. Thompson of Georgia.
Mr. Sikes with Mr. Watson of South Carolina.
Mr. Flynt with Mr. Whitehurst.
Mr. Madden with Mr. Landgrebe.
Mr. Murphy with Mr. Casey.
Mr. Pickle with Mr. Pepper.
Mr. Feighan with Mr. Stokes.
Mr. Stubblefield with Mr. Pryor of North Carolina.
Mr. Wright with Mr. Jones of Alabama.
Mr. Hicks with Mr. Fraser.
Mr. Gibbons with Mrs. Hansen of Washington.
Mr. Young with Mr. Hagan.
Mr. Long of Louisiana with Mr. Rees.
Mr. Kee with Mr. McCarthy.

Mr. NELSEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HEALTH INSURANCE FOR FEDERAL EMPLOYEES AND ANNUITANTS

Mr. DANIELS of New Jersey. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 16986) to provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes, with Senate amendments thereto, and consider the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That, except as provided by subsection (b) of section 8906 of title 5, United States Code, effective from the first day of the first pay period which begins on or after October 1, 1970, and continuing until the first day of the first pay period which begins on or after January 1, 1971, the biweekly Government contribution for health benefits for an employee or annuitant enrolled under a health benefits plan under chapter 89 of title 5, United States Code, shall be equal to 40 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"'(1) the service benefit plan;

"'(2) the indemnity benefit plan;

"'(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"'(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.'.

"SEC. 2. Effective January 1, 1971, section 8906(a) of title 5, United States Code, is amended to read as follows:

"'(a) The Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted on the first day of the first pay period of each year to an amount equal to 40 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"'(1) the service benefit plan;

"'(2) the indemnity benefit plan;

"'(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"'(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.'.

"SEC. 3. (a) Section 8901(3)(B) of title 5, United States Code, is amended to read as follows:

"'(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;'.

"(b) Section 8901(3)(D)(i) of title 5, United States Code, is amended by striking out ", having completed 5 or more years of service.'.

"SEC. 4. (a) Section 8907(a)(B) of title 5, United States Code, is amended by inserting 'and the Panama Canal Zone' immediately before the semicolon at the end thereof.

"(b) Section 8901(1)(ii) of title 5, United States Code, is amended by inserting 'and the Panama Canal Zone' immediately before the semicolon at the end thereof.

"SEC. 5. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86–724) is amended as follows:

"(1) Section 2(4) is amended by inserting immediately before the period at the end thereof a comma and the following: 'and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act';

"(2) Sections 4(a) and 6(a) are each amended by adding at the end thereof the following sentence: 'The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act.'; and

"(3) Section 9 is amended by adding at the end thereof the following subsection:

"'(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.'.

"(b) The amendments made by subsection (a) of this section shall become effective on October 1, 1970."

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I have no intention of objecting, I merely reserve the right to ask the gentleman to give us a brief explanation of what is in the amendment, and what action is proposed.

Mr. DANIELS of New Jersey. I will be happy to do so.

Mr. Speaker, on July 9 the House

passed the bill, H.R. 16968, requiring the Government to increase its sharing ratio of premium charges under the Federal employees' health benefits program from an existing level of approximately 24 to 50 percent of the total charges, effective next January.

Yesterday, the Senate amended the House-passed measure to provide in lieu of that 50-percent figure, a Government contribution equal to 40 percent, effective October 1, 1970.

The cost of H.R. 16968 for calendar year 1971, as originally passed by the House, was estimated at $314 million. In reducing the percentage of contemplated Government contribution from 50 to 40 percent, the Senate amendment reduces the estimated cost by $89 million, to $225 million for the calendar year 1971. This estimated cost is predicted upon an assumption that total premium rates will be further increased by approximately 12 percent in the next contract year beginning January, 1971.

In addition to reducing the rate of Government contribution, the Senate also amended the effective date of the bill's provisions from January 1971 to October 1970. By so doing, the costs of the program for the remainder of the current contract or calendar year would be increased by $35 million, and would present insurmountable administrative difficulties to the Civil Service Commission and all employing agencies in affecting the changes in employee-employer cost sharing within such a short time period.

A change in cost sharing, as proposed in the House version of the bill, was designed to take effect at the most practical and administratively workable date, the beginning of the new contract year, January 1971.

Therefore, Mr. Speaker, the amendment offered to the Senate amendment to H.R. 16968 will, in substance, agree to a 40-percent Government contribution, but effective in January 1971, and perfect the language of the Senate amendment. I am confident that the Senate will readily concur in the amendment offered, paving the way for the bill's early enactment into law.

Mr. Speaker, I urge the unanimous adoption of the motion and the amendment offered.

Mr. GROSS. Mr. Speaker, I would ask the gentleman to state to the House what is proposed to be sent back to the other body.

Mr. DANIELS of New Jersey. As I already indicated, the Senate adopted the House-passed version, but it added two amendments thereto, one reducing the Government's contribution from 50 to 40 percent, and the other making it effective as of October 1, this year. We would accept one of the amendments passed by the Senate, that is the one reducing the Government's contribution from 50 to 40 percent, but we would change the effective date to January 1, 1971, because the Civil Service Commission contracts with all of the insurance companies on a callender year basis.

Mr. GROSS. That is the amendment the gentleman proposes to offer here?

Mr. DANIELS of New Jersey. That is correct.

Mr. GROSS. To change the effective date of the bill?

Mr. DANIELS of New Jersey. That is absolutely correct.

Mr. GROSS. As the measure was messaged to the House?

Mr. DANIELS of New Jersey. That is absolutely correct.

Mr. GROSS. And the gentleman states that the bill as it now stands, and if approved by the other body as to the effective date, will increase the Government expenditure for health benefits for Federal employees, including Members of Congress, by approximately $225 million?

Mr. DANIELS of New Jersey. That is correct. And that is based upon the assumption according to the testimony given by the Honorable Robert E. Hampton, Chairman of the U.S. Civil Service Commission, that there will be an increase in rates next year of approximately 12 percent.

Mr. GROSS. I see.

Mr. DANIELS of New Jersey. And that is taken into consideration in the estimated cost.

Mr. GROSS. Mr. Speaker, let the record show that I opposed the increase to 50 percent, and I oppose the increase to 40 percent. I have no desire to ask for a rollcall vote on this bill because I voted against it when it was originally before the House, but I do not want the record to show that I am opposed to the 40 percent, which is a 16-percent increase over the present 24-percent contribution by the taxpayers. Even a 16-percent increase is too rich for my blood.

Mr. Speaker, I want to say to the Members that only yesterday the House passed a bill presumably to regulate the issuance of credit cards. I am sure, after noting the bill that was just approved by the House providing for an additional $1 billion for the so-called environment and pollution, that what ought to have been done yesterday was to approve a measure regulating the issuance of gift certificates, drawn on the U.S. Treasury by the same Members of Congress.

Mr. DANIELS of New Jersey. Mr. Speaker, will the gentleman yield further?

Mr. GROSS. Yes; I yield further to the gentleman.

Mr. DANIELS of New Jersey. Mr. Speaker, I would like to point out to the gentleman that the administration representatives who testified before the committee recommended in substance the bill that we are now considering.

The Civil Service Commission not only recommended the new formula by which these premiums would be determined in the future, as set forth in this bill, but also went as far as recommending an increase of Government contributions from the present 24 percent to 38 percent.

The only difference is an additional 2 percent. I think the U.S. Government as an employer ought to be a model employer and set the highest standards and criteria for private industry to follow throughout the United States. This small gift of 2 percent should not destroy the United States standing as such a model employer.

Mr. GROSS. I appreciate the gentleman's views on this subject. But let me say again that so far as I am concerned personally, a 16-percent increase to 40 percent in the taxpayer's contribution to our health benefits, is too rich for my blood and, therefore, I oppose the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey (Mr. DANIELS).

There was no objection.

MOTION OFFERED BY MR. DANIELS OF NEW JERSEY

Mr. DANIELS of New Jersey. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DANIELS of New Jersey moves to concur in the Senate amendment with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That (a) section 8906(a) of title 5, United States Code, is amended to read as follows:

"'(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted, beginning on the first day of the first pay period of each year, to an amount equal to 40 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"'(1) the service benefit plan;

"'(2) the indemnity benefit plan;

"'(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"'(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.'.

"(b) The amendment made by subsection (a) of this section shall become effective at the beginning of the first applicable pay period which commences after December 31, 1970.

"SEC. 2. (a) Section 8901(3)(B) of title 5, United States Code, is amended to read as follows:

"'(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;'.

"(b) Section 8901(3)(D)(i) of title 5, United States Code, is amended by striking out ', having completed 5 or more years of service,'.

"SEC. 3. (a) Section 8701(a)(B) of title 5, United States Code, is amended by inserting 'and the Panama Canal Zone' immediately before the semicolon at the end thereof.

"(b) Section 8901(1)(ii) of title 5, United States Code, is amended by inserting 'and the Panama Canal Zone' immediately before the semicolon at the end thereof.

"SEC. 4. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86–724) is amended as follows:

"(1) Section 2(4) is amended by inserting immediately before the period at the end thereof a comma and the following: 'and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act.';

"(2) Sections 4(a) and 6(a) are each amended by adding at the end thereof the following sentence: 'The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act.'; and

"(3) Section 9 is amended by adding at the end thereof the following subsection:

"'(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.'.

"(b) The amendments made by subsection (a) of this section shall become effective on January 1, 1971."

Mr. DULSKI. Mr. Speaker, will the gentleman yield?

Mr. DANIELS of New Jersey. I am very pleased to yield to the distinguished chairman of the House Committee on Post Office and Civil Service, the gentleman from New York (Mr. DULSKI).

Mr. DULSKI. Mr. Speaker, I rise in support of the motion by the gentleman from New Jersey, the chairman of the Subcommittee on Retirement, Insurance, and Health Benefits.

The amendment proposed is identical, with a single change, to the health benefits bill passed by this House July 9, 1970, on a record vote of 284 to 57.

The change to which I refer is the adoption of the Senate provision fixing the Government's contribution to the health benefits premium cost at 40 percent, whereas the House-passed bill provided for a 50-percent Government contribution.

Presently, the Government's contribution is equal to approximately 24 percent of the total premium cost, leaving the employees to bear the excessive burden of paying the other 76 percent.

Mr. Speaker, I strongly believe that the original House version is fully justified and that an equal sharing of premium costs between the Government and its employees would be both fair and consistent with what is being done in modern private enterprise.

However, from a practical standpoint, I feel that a Government contribution rate in excess of 40 percent cannot be finally approved and become law this year.

Accordingly, I strongly recommend adoption by the House of the motion by the gentleman from New Jersey.

Our health benefits bill, H.R. 16968, in this form represents a long step in the right direction—a step that is overdue and will at least partly correct an inequity under which our postal and other Federal employees and retirees have labored for the past decade.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. DANIELS).

The motion was agreed to.

The Senate amendment, as amended, was agreed to.

The SPEAKER. The Clerk will report the amendment of the Senate to the title of the bill.

The Clerk read as follows:

Amend the title so as to read: "An Act to increase the contribution by the Federal Government to the cost of health benefits insurance, and for other purposes."

The amendment to the title was agreed to.

A motion to reconsider was laid on the table.

FEDERAL RAILROAD SAFETY AND HAZARDOUS MATERIALS CONTROL

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1933) to provide for Federal railroad safety, hazardous materials control, and for other purposes, with the Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia (Mr. STAGGERS)? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, FRIEDEL, DINGELL, SPRINGER, and DEVINE.

SOLID WASTE DISPOSAL

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11833) to amend the Solid Waste Disposal Act in order to provide financial assistance for the construction of solid waste disposal facilities, to improve research programs pursuant to such act, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia (Mr. STAGGERS)? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, JARMAN, ROGERS of Florida, SPRINGER, and NELSEN.

PROVIDING FOR CONSIDERATION OF H.R. 17982, CORPORATION FOR PUBLIC BROADCASTING

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1194 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1194

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 17982) to amend the Communications Act of 1934 to provide for a one-year extension of financing for the Corporation for Public Broadcasting. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 17982, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 3558, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 17982 as passed by the House.

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee, pending which I yield myself such time as I may consume.

Mr. Speaker, I know of no controversy on this bill. It is an open rule, providing for 1 hour of general debate. It is a bill that has been before the Congress before. I therefore reserve the balance of my time.

The SPEAKER. The gentleman from Tennessee is recognized.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. QUILLEN asked and was given permission to revise and extend his remarks.)

Mr. QUILLEN. Mr. Speaker, House Resolution 1194 makes in order for consideration of H.R. 17982 under an open rule with 1 hour of general debate.

The purpose of the bill is to extend for 1 year—through fiscal 1971—the financing provisions of current law with respect to the Corporation of Public Broadcasting.

A permanent system of financing was not proposed when the corporation was created in 1968. Since that time funds for the operations of the corporation have come from two sources: Appropriated funds and private gifts or grants.

The bill authorizes $30 million for 1971 and also authorizes an additional appropriation of up to $5 million which could only by used to match gifts, grants, and other private contributions. Thus the corporation's budget for the year could reach $40 million.

The corporation is particularly active in two fields, program development and interconnection of the independent public television stations. The corporation has assisted in the funding for the development and production of "Sesame Street," the excellent children's program. It is now involved in negotiations with A.T. & T. on a rate structure with respect to use of the company's lines to interconnect participating public television stations into a nationwide hookup for programs of major interest. This network is expected to connect 166 public television stations.

The committee report makes clear that some permanent form of financing for the corporation must be developed soon.

There are no minority views.

I have no further request for time, but I reserve the balance of my time, and urge the adoption of the resolution.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 11913, COMMUNICABLE DISEASE CONTROL AMENDMENTS OF 1970

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1129 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1129

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11913) to amend the Public Health Service Act to provide authorization for grants for communicable disease control. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 11913, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 2264, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 11913 as passed by the House.

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio, pending which I yield myself such time as I may consume.

Mr. Speaker, I know of no opposition to this rule and reserve the balance of my time.

The SPEAKER. The gentleman from Ohio is recognized.

(Mr. LATTA asked and was given permission to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, like the gentleman from Missouri, I know of no opposition to this rule, but I would just like to point out that this bill authorizes a 3-year program to continue the fight against communicable disease in the the United States.

Authorizations contained in the bill are as follows:

Fiscal year:	*Million*
1970	$20
1971	75
1972	90

Funds appropriated will be used by the Secretary of Health, Education, and Welfare to make grants to the States, and to local authorities with State approval, to assist in financing disease control programs. The diseases to be combated include TB, veneral disease, rubella, measles, polio, diphtheria, tetanus, whooping cough, and RH disease. These are capable of prevention by vaccination. Grant funds are generally used to purchase vaccines and pay personnel used to staff vaccination programs where they are needed.

The bill tends to reestablish to some degree the old category grants which, in the health field, were generally eliminated by the passage in 1966 of the Public Health Service Act which combined into one program a large number of category grant programs in the field. The theory was that the States themselves were the best judges of what areas needed first priority treatment. It is true that the Secretary of Health, Education, and Welfare in his budget presentation has earmarked specific amounts in a number of areas—but would Congress give him a blank check? Category grants, which can be used for no other purpose, are much more restrictive than an earmarking for budget presentation purposes.

The administration opposes the bill for this reason as evidenced by the letter from the Bureau of the Budget.

Mr. Speaker, I have no further requests for time, and I yield back the remainder of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF FINANCING FOR CORPORATION FOR PUBLIC BROADCASTING

Mr. STAGGERS. Mr. Speaker, I call up the bill (H.R. 17982) to amend the Communications Act of 1934 to provide for a 1-year extension of financing for the Corporation for Public Broadcasting, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

H.R. 17982

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Broadcasting Financing Act of 1970".

SEC. 2. Subsection (k) of section 396 of the Communications Act of 1934 (47 U.S.C. 396 (k)) is amended to read as follows:

"(k)(1) There are authorized to be appropriated for expenses of the Corporation for the fiscal year ending June 30, 1969, the sum of $9,000,000, and for the fiscal year ending June 30, 1970, the sum of $20,000,000, and for the fiscal year ending June 30, 1971, the sum of $30,000,000.

"(2) In addition to the sums authorized to be appropriated by paragraph (1) of this subsection, there are authorized to be appropriated for payment to the Corporation for the fiscal year ending June 30, 1971, amounts equal to the amount of total grants, donations, bequests, or other contributions (including money and the fair market value of any property) from non-Federal sources received by the Corporation under section 396(g)(2)(A) of this Act, during such fiscal year; except that the amount appropriated pursuant to this paragraph may not exceed $5,000,000."

Mr. STAGGERS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, H.R. 17982 would provide for a 1-year authorization of appropriations for the Corporation for Public Broadcasting. Under the bill, not more than $30 million could be appropriated to the Corporation for fiscal year 1971. An additional amount of not more than $5 million would be authorized to match gifts, grants, and other contributions to the Corporation.

The Corporation for Public Broadcasting is a bipartisan, independent, nonprofit corporation which was established under the Public Broadcasting Act of 1967. Its Board of Directors consists of 15 members appointed by the President by and with the advice and consent of the Senate. No more than eight members of the Board may be members of the same political party. The President of the Corporation is John W. Macy, Jr., who many of the Members of the House know personally.

Under its charter, the Corporation has three principal functions—

First, to assist in the development of programs of high quality for presentation over public radio and television stations;

Second, to assist in the establishment and development of a system of interconnection for such stations, and

Third, to assist in the establishment and development of such stations.

To state its purpose in a slightly different way, Mr. Speaker, the Corporation must help in developing high quality program matter to be presented over the 190 or more public TV stations and over 400 public radio stations which cover most of the United States. In addition, the Corporation is charged with assisting in the promotion and development of public broadcasting stations.

Mr. Speaker, to clarify a matter that has been the source of some confusion, let me say that the term "public broadcasting station," refers to radio and television stations which many persons still refer to as educational broadcasting stations. The term "public" is considered to be much more descriptive of their operation than "educational" since almost all such stations present more than instructional programing. In fact, most such stations present a wide variety of high quality programing directed at all age groups.

The Corporation has been fully operational for about a year and a half now and in that time its accomplishments have, I think, been impressive.

It has been instrumental in beginning the development of national television production centers in Boston, Chicago, Los Angeles, Pittsburgh, and San Francisco. Through grants and contracts it has assisted in the development and presentation of particular programs and series of programs. Perhaps the best example of these activities is "Sesame Street," a program developed and produced by the Children's Television Workshop. This series was designed for preschool children of low-income families. It consists of 142 programs which in many areas are shown several times a day. The series had its first run during the 1969–1970 school year and the results have

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY; NOT TO BE QUOTED OR CITED)

For actions of September 14, 1970
91st-2nd; No. 159

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HIGHLIGHTS: House passed wheat research and promotion bill.
Senate began consideration of farm bill.
Senate adopted House amendments to bill increasing Government contribution to cost of Federal employees health benefits.

SENATE

1. FARM BILL. Began consideration of HR 18546, the Agricultural Act of 1971; Sen. Ellender delivered a prepared statement on the purposes of the bill and various senators joined in discussing its provisions. Sen. Mondale discussed his Amendment No. 902. Time was allotted for debate and a vote on the legislation is expected on Tuesday. pp. S15332-3; S15340-49; S15361-75

2. FEDERAL EMPLOYEE HEALTH BENEFITS. Agreed to House amendments to Senate amendment to HR 16968, to provide that the Federal Government pay 40% of the cost of health insurance for Federal employees; this bill now goes to the President. p. S15251

3. LEGISLATIVE PROGRAM. Senators Scott and Mansfield reacted to the President's message on the legislative performance of the Congress; Mansfield placed in the Record a listing of the bills considered by the Senate. pp. S15270-1; S15304-20

4. GOVERNORS' CONFERENCE. Sen. Muskie submitted for the Record the "Policy Positions of the National Governors' Conference" and stated that they represent a strong consensus of thinking and attitudes among the elected chief executives of the Nation. pp. S15280-91

HOUSE

5. BILLS PASSED.

Sent to the Senate:

H.R. 13543, with amendment, establishing a wheat research and promotion program, pp. H8632-3;

H.R. 17455, authorizing the Administrator of GSA to enter into contracts for janitorial services, trash removal, and similar services in federally owned and leased properties for periods not to exceed 3 years, p. H8613;

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S.J. Res. 67, granting consent to amendments creating the Potomac Valley Conservancy District and establishing the Interstate Commission on the Potomac River Basin, pp. H8615-20

6. PRESIDENTIAL MESSAGE. Received "A Call for Cooperation" from the President, urging action on legislative proposals submitted to the Congress by the White House (H. Doc. 91-381). pp. H8602-9

7. LEGISLATION. Received from the Civil Service Commission a draft of proposed legislation to permit immediate retirement of certain Federal employees; to the Committee on Post Office and Civil Service. p. H8690

year ending June 30, 1971, and for each of the next four fiscal years thereafter."

TITLE III—NATIONAL INFORMATION AND RESOURCE CENTER FOR THE HANDICAPPED

SEC. 301. (a) (1) There is hereby established, within the Department of Health, Education, and Welfare, a National Information and Resource Center for the Handicapped (hereinafter referred to as the "Center").

(2) The Center shall have a Director and such other personnel as may be necessary to enable the Center to carry out its duties and functions under this section.

(b) (1) It shall be the duty and function of the Center to collect, review, organize, publish, and disseminate (through publications, conferences, workshops or technical consultation) information and data related to the particular problems caused by handicapping conditions including information describing measures which are or may be employed for meeting or overcoming such problems with a view to assisting individuals who are handicapped and organizations and persons interested in the welfare of the handicapped, in meeting problems which are peculiar to, or are made more difficult for, individuals who are handicapped.

(2) The information and data with respect to which the Center shall carry out its duties and functions under paragraph (1) shall include (but not be limited to) information and data with respect to the following—

(A) medical and rehabilitation facilities and services;

(B) day care and other programs for young children;

(C) education;

(D) vocational training;

(B) employment;

(F) transportation;

(G) architecture and housing (including household appliances and equipment);

(H) recreation; and

(I) public or private programs established for, or which may be used in, solving problems of the handicapped.

(c) (1) The Secretary shall make available to the Center all information and data, within the Department of Health, Education, and Welfare, which may be useful in carrying out the duties and functions of the Center.

(2) Each other Department or agency of the Federal Government is authorized to make available to the Secretary, for use by the Center, any information or data which the Secretary may request for such use.

(3) The Secretary of Health, Education, and Welfare shall to the maximum extent feasible enter into arrangements whereby State and other public and private agencies and institutions having information or data which is useful to the Center in carrying out its duties and functions will make such information and data available for use by the Center.

(d) There is authorized to be appropriated for carrying out the purposes of this section for the fiscal year ending June 30, 1971, the sum of $300,000 and for each fiscal year thereafter such sums as may be necessary.

The title was amended so as to read: "A bill to amend the Public Health Service Act to provide for the making of grants to medical schools and hospitals to assist them in establishing special departments and programs in the field of family practice, and otherwise to encourage and promote the training of medical and paramedical personnel in the field of family medicine, and to alleviate the effects of malnutrition, and to provide for the establishment of a National Information and Resource Center for the Handicapped."

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (S. 2808) to authorize the Secretary of the Interior to construct, operate, and maintain the Minot extension of the Garrison diversion unit of the Missouri River Basin project in North Dakota, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker has affixed his signature to the enrolled bill (H.R. 16539) to amend the National Aeronautics and Space Act of 1958 to provide that the Secretary of Transportation shall be a member of the National Aeronautics and Space Council, and it was signed by the Acting President pro tempore (Mr. METCALF).

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADJUSTMENT OF GOVERNMENT CONTRIBUTION WITH RESPECT TO HEALTH BENEFITS COVERAGE OF FEDERAL EMPLOYEES AND ANNUITANTS

Mr. BURDICK. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 16968.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the amendments of the Senate to the bill (H.R. 16968) to provide for the adjustment of the Government contribution with respect to the health benefits coverage of Federal employees and annuitants, and for other purposes, which was in lieu of the matter proposed, insert the following:

That (a) section 8906(a) of title 5, United States Code, is amended to read as follows:

"(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted, beginning on the first day of the first pay period of each year, to an amount equal to 40 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefit plan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

(b) The amendement made by subsection (a) of this section shall become effective at the beginning of the first applicable pay period which commences after December 31, 1970.

SEC. 2. (a) Section 8901(3)(B) of title 5, United States Code, is amended to read as follows:

"(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;".

(b) Section 8901(3)(D)(i) of title 5, United States Code, is amended by striking out ", having completed 5 or more years of service,".

SEC. 3. (a) Section 8701(a)(B) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

(b) Section 8901(1)(ii) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

SEC. 4. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86–724) is amended as follows:

(1) Section 2(4) is amended by inserting immediately before the period at the end thereof a comma and the following: "and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Sociay Security Act";

(2) Sections 4(a) and 6(a) are each amended by adding at the end thereof the following sentence: "The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act"; and

(3) Section 9 is amended by adding at the end thereof the following subsection:

"(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.".

(b) The amendments made by subsection (a) of this section shall become effective on January 1, 1971.

Resolved, That the House agree to the amendment of the Senate to the title of the bill.

Mr. BURDICK. Mr. President, I move that the Senate concur in the amendment of the House.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Dakota.

The motion was agreed to.

AUTHORIZATION OF CONSTRUCTION OF SUPPLEMENTAL IRRIGATION FACILITIES, YUMA MESA IRRIGATION DISTRICT, ARIZ.

Mr. BURDICK. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2882.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2882) to amend Public Law 394, 84th Congress, to authorize the con-

struction of supplemental irrigation facilities for the Yuma Mesa Irrigation District, Ariz., which was to strike out all after the enacting clause, an insert:

That section 2 of the Act of January 28, 1956 (70 Stat. 5, Public Law 394, Eighty-fourth Congress), is amended by inserting after the word "buildings" the words "and irrigation works and facilities".

SEC. 2. Section 4 of the Act of January 28, 1956, is amended by changing the period at the end thereof to a comma and adding "but the contract executed on or prior to such date may be amended to include works authorized after such date by amendments to section 2." The Yuma-Mesa division shall be operated in such manner that identifiable return flows of water will not cause the Colorado River stream system to be in violation of water quality standards promulgated pursuant to the Water Quality Act of 1965 (79 Stat. 903).

Mr. BURDICK. Mr. President, I move that the Senate concur in the amendment of the House.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Dakota.

The motion was agreed to.

NAVAJO INDIAN IRRIGATION PROJECT

Mr. BURDICK. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 203.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 203) to amend the act of June 13, 1962 (76 Stat. 96), with respect to the Navajo Indian irrigation project, which was to strike out all after the enacting clause, and insert:

That the Act of June 13, 1962 (76 Stat. 96), is amended as follows:

(a) By deleting "and" in the first sentence of section 3(a) immediately preceding "townships 27" and by inserting immediately preceding "New Mexico principal meridian", the following: "townships 26 and 27 north, range 11 west, and townships 24, 25, and 26 north, ranges 12 and 13 west,";

(b) By deleting "$135,000,000 (June 1961 prices)" in the first sentence of section 7 and substituting in lieu thereof "$206,000,000 (April 1970 prices)"; and

(c) By adding the following subsection to 3:

"(d) Each permit that is in effect on lands declared to be held in trust for the Navajo Tribue pursuant to section 3(a) of this Act shall continue in effect for the terms thereof unless the land is needed for irrigation purposes, subject to regulations applicable to permits of Indian lands, and upon its expiration it shall only be renewed on an annual basis until the land is required for irrigation purposes. When, in the judgment of the Secretary of Interior, such land is required for irrigation purposes, the Secretary shall notify the permittee and the permit shall be deemed to be canceled, with no right of appeal. The permittee shall be compensated by the Navajo Tribe for the reasonable value of any range improvements of a permanent nature placed on the lands under authority of a permit or agreement with the United States, as determined by the Secretary of the Interior. Amounts paid to the United States by the Navajo Tribe out of tribal funds for the full appraised value of lands declared to be held in trust for the Navajo Tribe pursuant to section 3(a) of this Act shall be reduced by the amount of compensation paid by the Navajo Tribe to permittees pursuant to this subsection."

SEC. 2. The Navajo Indian irrigation project shall be operated in such manner that identifiable flows of water will not cause the project to be in violation of water quality standards promulgated pursuant to the Water Quality Act of 1965 (79 Stat. 903).

Mr. BURDICK. Mr. President, I move that the Senate concur in the amendment of the House.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Dakota.

The motion was agreed to.

REAUTHORIZATION OF THE RIVERTON EXTENSION UNIT, MISSOURI RIVER BASIN PROJECT

Mr. BURDICK. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 434.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 434) to reauthorize the Riverton extension unit, Missouri River Basin project, to include there in the entire Riverton Federal reclamation project, and for other purposes which was to strike out all after the enacting clause, and insert:

That the general plan for the Riverton extension unit, Missouri River Basin project, heretofore authorized under section 9 of the Flood Control Act of 1944 (58 Stat. 887), is modified to include relief to water users, construction, betterment of works, land rehabilitation, water conservation, fish and wildlife conservation and development, flood control, and silt control on the entire Riverton Federal reclamation project. As so modified the general plan is reauthorized under the designation "Riverton unit of the Missouri River Basin project". The Riverton extension unit shall be operated in such manner that identifiable return flows of water will not cause the Wind River to be in violation of water quality standards promulgated pursuant to the Water Quality Act of 1965 (79 Stat. 903).

SEC. 2. (a) The Secretary of the Interior is authorized to negotiate and execute an amendatory repayment contract with the Midvale Irrigation District covering all lands of the Riverton unit. This contract shall replace all existing repayment contracts between the Midvale Irrigation District and the United States.

(b) The period for repayment of the construction and rehabilitation and betterment costs allocated to irrigation and assigned to be repaid by the irrigation water users shall be fifty years from and including the year in which such amendatory repayment contract is executed.

(c) During the period required to construct and test the adequacy of drains and other water conservation works, the rates of charge to land classes and the acreage assessable in each land class in the unit shall continue to be as established in the amendatory repayment contract with the district dated June 26, 1952; thereafter such rates of charge and assessable acreage shall be in accordance with the amortization capacity and classification of unit lands as determined by the Secretary.

SEC. 3. (a) Construction and rehabilitation and betterment costs of the Riverton unit which the Secretary determines to be assignable to lands classified now or hereafter as permanently unproductive shall be nonreturnable and nonreimbursable: *Provided*, That whenever new lands or lands now or hereafter classified as nonproductive, are classified or reclassified as productive, the repayment obligation of the district shall be increased appropriately.

(b) All miscellaneous net revenues of the Riverton unit shall accrue to the United States and shall be applied against irrigation costs not assigned to be repaid by irrigation water users.

(c) Construction and rehabilitation and betterment costs of the Riverton unit allocated to irrigation and not assigned to be repaid by irrigation water users not returned from miscellaneous net revenues of the unit shall be returnable from net revenues of the Missouri River Basin project within fifty years from and including the year in which the amendatory contract authorized by this Act is executed.

SEC. 4. The limitation of lands held in beneficial ownership within the unit by any one owner, which are eligible to receive project water from, through, or by means of project works, shall be one hundred and sixty acres of class 1 land or the equivalent thereof in other land classes, as determined by the Secretary.

SEC. 5. (a) Lands available for disposition on the Riverton unit, including property acquired pursuant to the Act of March 10, 1964, shall be sold at public or private sale at not less than appraised fair market value at the time of sale. The secretary may dispose of such lands in tracts of any size, so long as no such disposiiton will result in a total ownership within the unit by any one owner in excess of the limitation prescribed in section 4 above.

(b) In the disposition of lands on the Riverton unit, resident landowners on the unit who have not obtained relief under the Act of March 10, 1964, as amended, shall have a prior right to purchase tracts in order to supplement their existing farms.

SEC. 6. (a) The provision of lands, facilities, and project modifications which furnish fish and wildlife benefits in connection with the Riverton extension unit shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213).

(b) The interest rate used for purposes of computing interest during construction and interest on the unpaid balance of the capital cost allocated to interest-bearing features of the project shall be determined by the Secretary of the Treasury as of the beginning of the fiscal year in which construction of said interest-bearing features is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 7. Appropriations heretofore or hereafter made for carrying on the functions of the Bureau of Reclamation shall be available for credits, expenses, charges, and cost provided by or incurred under this Act. The Secretary is authorized to make such rules and regulations as are necessary to carry out the provisions of this Act.

SEC. 8. There is hereby authorized to be appropriated for rehabilitation and betterment of the facilities of the first and second divisions of the Riverton unit, for completion of drainage works for said first and second divisions, and for fish and wildlife measures as authorized by this Act, the sum of $12,116,000 (based on July 1969 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as many be required for operation and maintenance of the Riverton unit.

Public Law 91-418
91st Congress, H. R. 16968
September 25, 1970

An Act

To increase the contribution by the Federal Government to the cost of health benefits insurance, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8906(a) of title 5, United States Code, is amended to read as follows:

Government employees health benefits. Government contribution, increase. 81 Stat. 219.

"(a) Except as provided by subsection (b) of this section, the biweekly Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this chapter shall be adjusted, beginning on the first day of the first pay period of each year, to an amount equal to 40 percent of the average of the subscription charges in effect on the beginning date of the adjustment, with respect to self alone or self and family enrollments, as applicable, for the highest level of benefits offered by—

"(1) the service benefit plan;

"(2) the indemnity benefit plan;

"(3) the two employee organization plans with the largest number of enrollments, as determined by the Commission; and

"(4) the two comprehensive medical plans with the largest number of enrollments, as determined by the Commission.".

(b) The amendment made by subsection (a) of this section shall become effective at the beginning of the first applicable pay period which commences after December 31, 1970.

Effective date.

Sec. 2. (a) Section 8901(3)(B) of title 5, United States Code, is amended to read as follows:

80 Stat. 600.

"(B) a member of a family who receives an immediate annuity as the survivor of an employee or of a retired employee described by subparagraph (A) of this paragraph;".

(b) Section 8901(3)(D)(i) of title 5, United States Code, is amended by striking out ", having completed 5 or more years of service,".

Sec. 3. (a) Section 8701(a)(B) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

(b) Section 8901(1)(ii) of title 5, United States Code, is amended by inserting "and the Panama Canal Zone" immediately before the semicolon at the end thereof.

Sec. 4. (a) The Retired Federal Employees Health Benefits Act (74 Stat. 849; Public Law 86–724) is amended as follows:

(1) Section 2(4) is amended by inserting immediately before the period at the end thereof a comma and the following: "and includes the Social Security Administration for purposes of supplementary medical insurance provided by part B of title XVIII of the Social Security Act";

79 Stat. 301; 81 Stat. 874. 42 USC 1395j-1395w.

(2) Sections 4(a) and 6(a) are each amended by adding at the end thereof the following sentence: "The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by part B of title XVIII of the Social Security Act."; and

84 STAT. 870

74 Stat. 851.

(3) Section 9 is amended by adding at the end thereof the following subsection:

"(f) Notwithstanding any other provision of law, there shall be no recovery of any payments of Government contributions under section 4 or 6 of this Act from any person when, in the judgment of the Commission, such person is without fault and recovery would be contrary to equity and good conscience.".

Effective date.

(b) The amendments made by subsection (a) of this section shall become effective on January 1, 1971.

Approved September 25, 1970.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 91-1084 (Comm. on Post Office and Civil Service).
SENATE REPORT No. 91-1151 accompanying S. 1772 (Comm. on Post Office and Civil Service).
CONGRESSIONAL RECORD, Vol. 116 (1970):

July 9, considered and passed House.
Sept. 1, S. 1772 considered and passed Senate; proceedings vacated.
Sept. 1, considered and passed Senate; motion entered to reconsider vote; House requested to return bill.
Sept. 9, House agreed to return bill.
Sept. 9, Senate reconsidered and passed H.R. 16968, amended, in lieu of S. 1772.
Sept. 10, House agreed to Senate amendments with an amendment.
Sept. 14, Senate concurred in House amendment.

GPO 48-139